

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

FILED

OCT 26 2000

DOUG SUTTON and PRESCOTT NOTTINGHAM,
On Behalf of Themselves and All Others Similarly
Situating,

Plaintiffs,

v.

marchFIRST, INC. and ROBERT F. BERNARD,

Defendants.

MICHAEL W. DOBBINS, CLERK
UNITED STATES DISTRICT COURT

00c 6676

No. JUDGE GRADY

MAGISTRATE JUDGE ROSEMOND

DOCKETED
OCT 26 2000

**CLASS ACTION COMPLAINT FOR
VIOLATIONS OF FEDERAL SECURITIES LAWS**

INTRODUCTION AND OVERVIEW

Plaintiffs, by their undersigned counsel, complain of defendants and state:

1. This is a class action complaint on behalf of those who purchased or otherwise acquired marchFIRST, Inc. ("marchFIRST" or the "Company") stock between 7/25/00 and 10/23/00 (the "Class Period") against marchFIRST and its chief executive officer for violation of the federal securities laws.

2. marchFIRST is an Internet professional services firm that provides services to help companies build business models, brands, systems and processes to capitalize on opportunities created by the Internet and related computer and communications technologies and a provider of integrated application hosting services. marchFIRST provides services to clients ranging from early-stage Internet start-up companies to Global 2000 companies. On March 1, 2000, the Company, previously named Whittman-Hart, completed a merger with USWeb/CKS and changed its name to marchFIRST. This was a huge merger valued at more than \$7 billion.

3. Defendants' false and misleading statements concerning the integration of the merged companies, its 2ndQ 00 results, improving business momentum, and lack of problems with its accounts receivable which would result in 3rdQ and 2000 EPS being revised downwards, artificially inflated the price of marchFIRST stock to a Class Period high of \$26-1/2. On 10/24/00, marchFIRST revealed that it was in fact suffering a huge shortfall in revenues and would have 3rdQ 00 EPS of only \$0.01 and exposed the problems marchFIRST had been experiencing during the Class Period in collecting payment from certain of its customers. This announcement caused the Company's stock price to drop to as low as \$4-19/32 on record volume of 49.8 million shares on 10/24/00, causing hundreds of millions of dollars in damages to members of the Class.

JURISDICTION AND VENUE

4. The claims asserted herein arise under §§10(b) and 20(a) of the Securities Exchange Act of 1934 ("1934 Act"), 15 U.S.C. §§78j(b) and 78t(a), and Rule 10b-5. Jurisdiction is conferred by §27 of the 1934 Act, 15 U.S.C. §78aa. Venue is proper here pursuant to §27 of the 1934 Act. Acts and transactions giving rise to the violations of law complained of occurred here.

THE PARTIES

Plaintiffs

5. (a) Doug Sutton purchased shares of marchFIRST common stock as described in the attached certification and was damaged thereby.

(b) Prescott Nottingham purchased shares of marchFIRST common stock as described in the attached certification and was damaged thereby.

Defendants

6. marchFIRST maintains its headquarters at Chicago, Illinois. During the Class Period, marchFIRST's common stock traded in an efficient market on the NASDAQ National Market System.

7. Robert F. Bernard ("Bernard") was, during the Class Period, President, Chief Executive Officer and Chairman of the Board of the Company.

8. Bernard is the "Individual Defendant." Bernard is liable for the false statements pleaded herein at ¶¶ 16, 30, 38, 46 and 58, as those statements were each "group-published" information for which he was responsible. Defendant Bernard, by reason of his stock ownership and positions with marchFIRST, was a controlling person of marchFIRST. marchFIRST controlled Bernard. Bernard is liable as a controlling person under §20(a) of the 1934 Act.

SCIENTER AND SCHEME ALLEGATIONS

Scheme

9. Each defendant is liable for making false statements or for failing to disclose adverse facts and for participating in a fraudulent scheme which operated as a fraud or deceit on purchasers of marchFIRST stock.

Knowledge

10. Bernard is the top executive of marchFIRST and ran marchFIRST as a "hands-on" manager, dealing with important issues facing marchFIRST's business, *i.e.*, the Company's growth, its dispute with a large customer in Mexico, its transactions with Internet companies, the problems these companies were having paying marchFIRST, new business these companies would and would not generate, the integration of USWeb/CKS, marchFIRST's market share position, and the growth of the Internet consulting market upon which marchFIRST's business depended.

11. Bernard closely monitored the performance of marchFIRST's business via reports which marchFIRST's Finance Department (under Burt Young, until his resignation, and later under Peter Murphy) generated on a weekly and monthly basis. There were "order reports," receivable aging reports, and "backlog reports" that summarized orders, dollar volume and product type.

Motive and Opportunity

12. In addition to having actual knowledge of the falsity of their statements, each of the defendants had the motive and the opportunity to perpetrate the fraudulent scheme and course of business described herein. In 1998, Bernard had agreed to be compensated solely with stock options. He received 200,000 options in 1999 at exercise prices above \$27. Thus, increasing the stock price was critical to his income. The Company was attempting to develop additional joint venture agreements and sought to be viewed favorably by potential partners.

BACKGROUND TO CLASS PERIOD

13. marchFIRST is an Internet professional services firm that provides a suite of services to help companies build business models, brands, systems and processes to capitalize on opportunities created by the Internet and related computer and communications technologies and a provider of integrated application hosting services. marchFIRST provides services to clients ranging from early-stage Internet start-up companies to Global 2000 companies. On March 1, 2000, the Company, previously named Whittman-Hart, completed a \$7 billion merger with USWeb Corporation¹ and changed its name to marchFIRST.

¹USWeb Corporation had previously merged with CKS Group prior to 1999.

14. The Company has developed into of the largest providers of Internet professional services through numerous acquisitions. During 1999, the Company made the following acquisitions, using its stock as currency:

| <u>Date</u> | <u>Acquisition</u> | <u>Shares Issued</u> |
|-------------|-----------------------------|----------------------|
| 3/9/99 | Waterfield Technology Group | 576,074 |
| 5/20/99 | POV Partners, Inc. | 474,650 |
| 8/27/99 | BALR Corporation | 1,145,796 |
| 11/12/99 | Four Points Digital, LLC | 1,098,221 |
| 11/27/99 | Fulcrum Solutions, Ltd. | 360,869 |

15. The largest acquisition, however, was the merger with USWeb/CKS which was accomplished by issuing 82.4 million shares of the Company's stock. The market did not view the merger favorably. marchFIRST's stock declined from as high as \$80 per share in 12/99 to the low \$20's by the beginning of the Class Period. By this time several of the Company's Internet customers were in severe financial difficulty. Due to the merger with USWeb/CKS, the Company's receivables had ballooned to more than \$400 million. Nonetheless, in order to report favorable financial results, marchFIRST failed to record adequate and timely accruals for bad debts to reflect this contingency.

FALSE AND MISLEADING STATEMENTS DURING THE CLASS PERIOD

16. On 7/25/00, marchFIRST announced its results for the 2ndQ 00, which ended 6/30/00, in a press release which stated:

marchFIRST, Inc., a leading global professional services company, today reported revenues and net income for the second quarter ended June 30, 2000.

Second-quarter revenues increased 45 percent to \$380.2 million from \$262.5 million for the same period last year and 8 percent from \$352.0 million from the first

quarter of 2000 (historical comparisons are on a pro-forma basis). Gross margin climbed to 49.3 percent.

Supplemental net income rose 136 percent to \$29.7 million or 19 cents per share from \$12.6 million for the same period last year. Quarterly sequential supplemental net income climbed 7 percent from \$27.8 million. All earnings per share figures were calculated on a fully diluted basis.

Second Quarter Performance Highlights

"We just completed a landmark quarter for marchFIRST," said Robert Bernard, marchFIRST Chairman and Chief Executive Officer. "In our first full reporting quarter as a new company, we were able to grow sequential revenue and profitability while making tremendous strides in integration and bringing a record number of new professionals into the Company. We built exciting momentum throughout the organization by consistently surpassing the goals we set for the quarter."

Bernard attributed the solid sequential growth to marchFIRST's emphasis on "hunting in packs" -- creating opportunities to expand relationships with clients by bringing together business strategists, brand-building experts and technology architects to demonstrate the potent value proposition of integrating these three disciplines to drive dynamic results. He also noted the progress of marchFIRST HostOne, the Company's enterprise application services business unit, which continued to forge relationships with leading companies, opened a state-of-the-art monitoring and management facility in the Washington, D.C. area, and established a new partner program for independent software vendors (ISVs) in the second quarter.

"We are proving our business model with market-leading companies each and every day," Bernard said, citing marchFIRST's work with OAG on a wireless application to provide flight schedules for more than 800 airlines to OAG customers via technologies such as Web-enabled phones and personal digital assistants. He also noted engagements with Barbie.com and Frontgate.

"Like our professional services teams, our recruiting organization is firing on all cylinders, pulling top talent from leading strategy firms, advertising agencies and technology companies," he added. "We have assembled a team of gifted professionals who are committed to marchFIRST and who want to work here because they believe in our core values and vision as a company."

Lastly, Bernard said integration moved ahead of schedule in the second quarter. As highlights, he cited a Company-wide professional capabilities audit to determine the distribution of expertise in marchFIRST's core disciplines. This

information was used to create a new professional services portfolio, which standardizes offerings throughout the organization. Additionally, the Company combined multiple office locations in Atlanta, Chicago and Phoenix.

17. After releasing these results, marchFIRST held a conference call on 7/25/00 with analysts and marchFIRST investors regarding the 2ndQ 00 results and the Company's business and prospects, during which Bernard and other members of marchFIRST's management team made positive statements to analysts and other participants which were intended to be, and later were, repeated in analyst reports.

18. On 7/26/00, Deutsche Banc Alex. Brown issued a report on marchFIRST written by Mark D'Annolfo repeating Bernard's and other members of marchFIRST's management team's statements. These statements were made by Bernard with the intent that they would be relied upon and repeated to investors. The report forecasted 3rdQ 00 EPS of \$.20, 00 EPS of \$.76, and stated:

* Hiring and retention improves. It appears that the worst of the integration-related voluntary turnover is behind the company as that figure improved to 22% from 23% in 1Q. Over 400 net new billable adds (up 6% q/q) indicates strong hiring in light of 6% involuntary turnover (virtually all integration-related). Forced turnover is likely at or near a peak, and should move lower by 4Q. Inbound resumes have tripled, largely due to the branding campaign, indicative of a strong hiring pipeline. Employee referrals generate about half of new hires, a good number in our view. Slowing pace of departures through year-end could set stage for accelerated NET hiring in 2001.

* * *

* Integration ahead of plan. We expect 95% of the integration to be completed by the end of 3Q, and the entire integration in 4Q. During the quarter, the company completed initiatives including: (1) consolidating ATL, CHI and SF facilities, (2) standardizing service offerings across the firm, (3) hosting re-orientation in CHI, Washington DC and Paris for about 1000 employees, (4) expanding brand awareness through marketing campaign, (5) standardizing benefits plans and employee referral incentives, and (6) launching MarchFirst campus for e-Learning/training initiatives. Merger costs were about \$1 million ahead of our \$27.5 mil target and should be completed in the current quarter (estimated \$43 mil. in merger costs in 3Q).

Improving DSOs and hiring/retention give us increasing comfort in the integration effort.

** Balance sheet in good shape. Cash position solid at \$176 million, especially given virtually all major cash outflows in 2Q are non-recurring (buybacks not expected at higher share prices (3 mil. purchased to date at avg. price of \$21.67), no additional investment in BlueVector expected near-term, and merger-related banker fees are paid in full). Collections improving as DSOs dropped to 85 from 88 in 1Q (after increasing last quarter). We expect continued improvement as management continues to target collections.*

19. On 7/26/00, Lehman Brothers issued a report on marchFIRST written by Karl Kierstead repeating Bernard's and other members of marchFIRST's management team's statements. These statements were made by Bernard with the intent that they would be relied upon and repeated to investors. The reported forecasted 3rdQ 00 EPS of \$.20 per share and 00 EPS of \$.77, and stated:

Based on the in-line 2Q00 results, we are raising our 2000 revenue estimate just slightly to \$1.56 billion from \$1.54 billion, equal to 38% growth. We are conservatively assuming 6% sequential growth in each of 3Q00 and 4Q00 and believe that 2H00 upside potential is minimal during the integration effort. For now, we are leaving our 2H00 and 2001 cash EPS estimates intact. We continue to believe that the Streets [sic] 2001 top-line growth estimate of 40% is too aggressive given the sheer size of the company and the potential for merger-related issues to spill over into the first half of 2001. We maintain a more conservative revenue growth estimate of 33% based on sequential growth of 7-8% each quarter.

20. On 7/26/00, PaineWebber issued a report on marchFIRST by Andrew Burns based on Burns' conversations with Bernard and other members of marchFIRST management, which forecast 3rdQ 00 and 00 EPS of \$.19 and \$.76, respectively, and stated:

** Solid quarter bolsters confidence in management's ability to integrate merger while maintaining strong operating visibility. Lower turnover indicates integration issues troughed in 1Q00. Expect lionshare of integration complete by end of 3Q00.*

21. On 7/26/00, SG Cowen Securities Inc. issued a report on marchFIRST by Moshe Katri based on Katri's conversations with Bernard and other members of marchFIRST management. The report forecast 3rdQ 00 and 00 EPS of \$.20 and \$.77, respectively, and stated:

-CLIENT DATA SHOWING FAVORABLE TRENDS. Annualized revenue from the Company's top 100 clients increased in the quarter to \$12 MM, and overall average project size increased to \$8 MM from the previous quarter's \$5 MM. International revenues, as a percentage of sales, were 18%, up slightly from last quarter's 17%. Repeat business for the quarter was flat sequentially at 65%. Revenues by category were as follows: Technology - \$221.7 MM versus \$207.7 MM last quarter (up 6.5% sequentially); Brand Building - \$63.9 MM versus \$59.0 MM (up 8.3% sequentially); and Strategy - \$85.2 versus last quarter's \$79.3 MM (up 7.4% sequentially).

22. On 7/26/00, McDonald Investments Inc. issued a report on marchFIRST by Michael Linsky based on Linsky's conversations with Bernard and other members of marchFIRST management. The report forecast 3rdQ 00 and 00 EPS of \$.20 and \$.76, respectively, and stated:

We reiterate our BUY (2) rating of the shares of MRCH, a leading global Internet professional services company which develops and delivers digital solutions that enable client companies to successfully balance their business models, brands, systems and processes. The successful integration of what were USWeb/CKS and the "old Whittman-Hart" (with their somewhat disparate cultures) has not been a trivial task. Still, MRCH is making great progress on this front. Indications are that the integration process, which was more than 85% complete at the end of 2Q00, likely will be 95% complete at the end of 3Q00. Our 12-month price target for the shares continues to be \$50. At only 24.0x EPS estimated for 2001, we regard the shares of MRCH as quite attractive as viewed on a risk/reward basis.

23. On 7/26/00, ING Barings issued a report on marchFIRST by Karen Ficker based on Ficker's conversations with Bernard and other members of the Company's management. The report forecast 3rdQ 00 and 00 EPS of \$.20 and \$.77, respectively, and stated:

MRCH's exposure to dot-com clients remains low relative to many competitors. "Non-brick and mortar" dot-coms comprised only 7.5% of revenue in the quarter, and management expects this percentage to remain in the single digits for the rest of 2000.

We expect marchFIRST's global expansion to continue; international revenue contributed 18% of total revenue in Q2, and should trend upward toward 20% over the rest of 2000. Management plans to outline a broader market expansion agenda in Asia and Latin America, when it unveils its 2-year strategic plan at the end of Q3.

Other promising trends include the build-out of MRCH's ASP business, which contributed \$10 million to Q2'00 revenue, versus \$6 million in Q1'00. HostOne clients have increased from roughly 100 at the time of [sic] center's launch in early June to 130, and the average monthly subscription fee is \$11,500, with new contracts coming in at \$20,000 to \$25,000.

24. On 7/26/00, DLJ Securities issued a report on marchFIRST by Eric Ross based on Ross' conversations with Bernard and other members of the Company's management. The report forecast 3rdQ 00 and 00 EPS of \$.20 and \$.76, respectively, and stated:

- Solid metrics improvement, given the company's size, with revenue per consultant of \$204,000, (vs. \$201,000 in Q1), voluntary turnover of 22% (down from 23% in Q1) and average billing rates of \$151/hr (vs. \$148/hr in Q1).
- Integration efforts continue to progress ahead of schedule, and as of the end of Q2 we believe is 85% completed. Management conservatively expects that the two companies will have completed the entire integration process by the end of Q4.
- We are slightly increasing our 2000 revenue projection to \$1,559 billion (up from \$1,553 billion) reflecting upside posted in Q2, but otherwise, we are leaving our estimates unchanged. We reiterate our Buy rating on the stock, and maintain our \$54 price target.

25. On 7/26/00, Roth Capital Partners, Inc. issued a report on marchFIRST by Glenn Powers based on Powers' conversations with Bernard and other members of the Company's management. The report forecast 3rdQ 00 and 00 EPS of \$.20 and \$.77, respectively, and stated:

MarchFirst hit our revenue estimate exactly and came in a penny above our EPS estimate. This was not a big surprise, as the company had announced on Friday that revenues would be between \$275-\$380 million and EPS would be slightly ahead of analysts' estimates. This was the company's first full quarter as a combined company, and the merger is demonstrating its benefits. MarchFirst brought in a record number of new professionals to the company this quarter, lowered voluntary employee turnover, and raised its average hourly billable rate. The business metrics look

healthy, and the company expects them to continue to improve during the remainder of the year.

Highlights:

- * Revenues this quarter were \$380.2 million, up 8% sequentially and 45% year-over-year. This matched our revenue estimate of \$380.2 million.
- * Gross margin was 49.3% this quarter, up from 49.2% in Q1 and 42.6% in Q2 of last year. This was in line with our estimate of 49.3%. Gross margin should continue to improve as a result of increases in hourly billable rates.
- * EPS were \$0.19 versus \$0.17 in Q1, a penny ahead of our estimate of \$0.18.
- * The company took a \$29 million charge this quarter for merger, branding and integration costs. At the end of Q2, it was 85% complete with the integration; it should be 95% complete by Q3 and 100% by the end of the year. After Q3, there should be no more charges related to the merger.
- * The company has repurchased 3 million out of the total 7.5 million shares authorized under its share repurchase program.

26. In fact, contrary to defendants' positive statements, marchFIRST was having difficulty collecting from certain of its Internet customers who were money-losing operations and had been unable to raise new capital since the spring of 2000 when venture capital funding for Internet start-ups had begun drying up. At least one of the non-paying customers represented a receivable exceeding \$25 million which had been acquired as part of the USWeb/CKS merger. Nevertheless, in order to report favorable 2ndQ 00 results, defendants failed to write-down this receivable as required by Generally Accepted Accounting Principles ("GAAP") as described in ¶¶57-66.

27. On 8/11/00, A.G. Edwards issued a report "initiating coverage" on marchFIRST by Laura Browder. Because this was A.G. Edward's first report on marchFIRST, it was issued only after Browder had extensive discussions with Bernard and other members of marchFIRST management, and was based on and repeated information provided by them. MarchFIRST management reviewed this report before it was issued and assured Browder it was accurate. The

report forecast 3rdQ 00 and EPS of \$.20 and \$.76 and a 30% long-term EPS/secular growth rate and stated:

We believe marchFIRST represents an attractive investment in the Internet consulting services industry due to its large consultant base, strong management team and attractive growth opportunities, and is [sic] working through its integration issues in the near term. Formed through the combination of a systems integrator (Whittman-Hart) and a web development firm (USWeb/CKS), marchFIRST, in our opinion, will be a powerful leader in the Internet consulting services industry once its integration strategy is realized. We believe marchFIRST's competitive advantages are its breadth and depth of services, its technical expertise, and its industry knowledge, combined with its scale and geographic reach.

* * *

Our cash EPS estimates are \$0.76 for 2000 and \$1.06 for 2001. However, since the company has not provided much guidance on 2001, we have been conservative with our growth and profitability estimates. marchFIRST is currently preparing a detailed 2 year strategic plan, which will outline how the company intends to target the tremendous opportunities available in the Internet consulting services market. Potential areas of focus include international expansion, particularly in Asia Pacific, China and Latin America, as well as new service offerings in CRM, wireless, next generation user experience and e-learning. We believe that marchFIRST is well-positioned to compete in these market [sic] and therefore see potential upside to our earnings estimates after this plan is unveiled.

* * *

MRCH is led by an experienced management team. Within any company in a service industry with rapid change, management is a key component to drive the company in the right direction. Bob Bernard, CEO and President of marchFIRST, has more than 15 years of experience in the information technology services market and in our opinion, has a good vision of the future of the industry and how to be a leader within that industry.

Integration issues are settling quickly. We believe marchFIRST is moving quickly to integrate the operations of Whitman-Hart and USWeb/CKS, as well as the numerous other companies acquired over the last several years. We also anticipate that the specifics of a 2 year business plan will be announced before the end of the current year.

28. On 8/15/00, George K. Baum & Company issued a report written by Steve Toomey on marchFIRST, based on conversations Toomey had with marchFIRST management in the week preceding his report. These statements were made by marchFIRST management with the intent that they would be repeated to and relied upon by investors. The report forecast 3rdQ 00 EPS of \$.20 and stated:

Yesterday MRCH announced that it had signed a contract with Autoland, a national car buying service, to enhance their B2B web services. MRCH will assist Autoland in designing and deploying a more robust product and service offering to Autoland's credit union and retail clients. MRCH shares were up over 13% yesterday, but we believe this move was based on more than just the Autoland deal. We believe that marchFIRST shares, at this price level, presents [sic] investors with a compelling opportunity to own a leader in the Internet professional services space. We continue to believe they have assembled one of the most complete service offerings for companies looking to take advantage of all of the opportunities information technology offers, and that the company should benefit from the more complex projects that we believe are being requested by clients in this space.

We have had contact with management recently concerning the quarter and believe the trends within the company continue to be positive with more successful hiring, and improving turnover metrics. The integration of USWeb/CKS remains on track with good progress toward a common back office system throughout the enterprise, and the company has had an intense focus thus far in the quarter on receivables management.

29. In fact, the defendants were investigating problematic receivables and had, by this time, determined that two large receivables should be written off. As a result, marchFIRST's 3rdQ 00 results would be much worse than defendants' representations. Nevertheless, defendants failed to disclose the true status of marchFIRST's business.

30. MarchFIRST's stock price declined to the \$21 level over the next several days as marchFIRST's Form 10-Q for the 2ndQ 00 was filed on 8/14/00. This Form 10-Q reported that marchFIRST's "unbilled" receivables (amounts that Company recorded as accounts receivable and

revenues but for which it was not yet entitled to bill its customers) had increased to \$97 million. This was higher than marchFIRST had represented to analysts in its 7/25/00 2ndQ 00 conference call. Defendants worked hard to reassure investors and analysts with Bernard speaking to several analysts over the following days.

31. On 8/16/00, DLJ Securities issued a report on marchFIRST written by Ross entitled "MARCHFIRST: Positioned to Benefit from Shift in Demand; Reiterate Buy," which included information about marchFIRST's receivables and was based on information provided Ross by marchFIRST management. The report repeated statements by management which omitted any mention of problems that management was then learning about regarding its receivables:

- The integration effort appears to be tracking ahead of plan, and we believe it is nearly 90% complete. Turnover looks as if it has stabilized (20-21% in July), and moderate upside to our financial model during the balance of 2000 is likely. Finally, the company has collected \$11 million from Televisa since the end of Q2, so despite concern, credit risk at the Mexican media giant is not an issue. We reiterate our Buy rating and \$54 price target.

32. In fact, by this time there continued to be major issues with the Televisa receivable, including Televisa's claims that marchFIRST had failed to deliver a project. Ultimately, Televisa would threaten litigation. Thus, contrary to defendants' statements to analysts, including Ross, credit risk with Televisa was clearly an issue.

33. On 8/18/00, prior to the markets opening, PaineWebber issued a report on marchFIRST by Burns which stated:

* Maintain BUY rating, December 2001 target \$50-55, 2000 and 2001 EPS estimates \$0.76 (up 33% Y/Y) and \$1.04 (up 37% Y/Y).

* *Upbeat discussion with CEO, Chairman Bob Bernard. All metrics indicate integration tightly in hand, ad campaign gaining traction.*

* Three main points: 1) Headcount: 250 net adds in first month of qtr. (ahead of target 400-500 per qtr.), voluntary turnover tracking flat seq. (22%); 2) DSOs trending down: tracking at 80-82 days (vs. 85 reported in 2Q00, 88 in 1Q00); 3) Increasing project sizes: \$12-14 mm (vs. \$12 mm last quarter, \$1-3 mm year ago).

* Branding campaign launched 1Q00 fuels headcount pipeline (4-fold increase in hits to their web site from prospective billable employees since March). Flat turnover and declining DSOs indicate management has tight handle on integration. Larger project sizes reduce S&M expenses, add to revenue visibility, reduce employee utilization risks.

* marchFIRST well-positioned in e-service market as one of only handful of companies with global scale, breadth of services to service large, complex projects. Near-term catalysts: couple joint ventures deepening company presence in Asia/Pacific announced over next few weeks, several high-profile client wins.

34. As a result of these positive statements, on 8/18/00 marchFIRST's stock traded as high as \$26-1/2.

35. Also on 8/18/00, ING Barings issued a report on marchFIRST which stated:

We believe that recent insider buying at marchFIRST underscores our belief that this stock is significantly undervalued and that the stock's performance does not reflect the company's healthy fundamentals or its leadership position.

Several insider purchases, (made in the \$21 to \$23 range), include purchases by Mark Kvamme, a director of the company and former CEO of CKS Group (which was merged to become MRCH), who upped his stake to a total ownership position of 1.7 million shares. Another director bought an additional 35,000 shares.

- We see several potential upcoming catalysts for this name in the near future
- announcements of new alliances
 - 10 industry conferences in September alone (including a presentation on September 20 at our Media Conference)
 - and a positive 3rd quarter earnings release.

We believe with roughly 85% of the integration process behind them and with the company's continued ability to aggressively add new hires (250 net additions to headcount this quarter already) in an environment where the talent pool is quite tight, the risk in this particular name is significantly mitigated.

36. In fact, although Kvamme had purchased 30,000 shares in 7/00, by the time of this report, as later reported by Thomson Financial Insider Trading monitor, he had already ***sold*** more than 30,000 shares in 8/00 and another director had sold more than 30,000 shares in 8/00.

37. On 8/22/00, Lehman Brothers issued a report on marchFIRST written by Kierstead, repeating Bernard's statements. The statements were made by Bernard on 8/21/00 with the intent that they would be repeated to investors. The report forecast 3rdQ 00 EPS of \$.20 and stated:

* Yesterday we had a private meeting with the CEO of marchFIRST. At about 24 times forward estimated EPS, we reiterate our 2-Outperform rating.

* According to the CEO, employee turnover should decline in 3Q00 from 28% in 2Q00, net new hires should meet expectations of over 400 in 3Q00 and revenue per professional should improve. The merger integration is apparently on track (all targeted offices will be integrated by the end of the quarter) and project sizes are increasing. ***Unlike some other consulting firms, marchFIRST is seeing no softening in the demand backdrop and is focusing squarely on large end-to-end projects with Global 3000 clients.***

**** In conclusion, our confidence level in our assumed 6% sequential growth rate in 3Q00 (to \$403 million) is improved and we believe that the stock will begin working later in 2000 when 3Q00 numbers are released and the sector sentiment improves.***

38. On 8/21/00, marchFIRST filed an amended Form 10-Q for the quarter ended 6/30/00 which revised the amount of accounts receivable marchFIRST classified as "unbilled." In the amended 10-Q, the unbilled receivables account was revised down from \$97 million to \$66 million and the difference being posted to "media" receivables.

39. On 8/22/00, George K. Baum & Company issued a report on marchFIRST by Toomey which stated:

MRCH's stock is down about 19% since the close on August 17, after increasing 46% in the week prior. We believe that some of the decline is due to concerns about the levels of MRCH's unbilled revenues as reported in the company's

10Q, which was released on August 14, 2000. Management indicated to us that the reported unbilled revenue figure of \$97.7 million is incorrect as it contains about \$32 million in media pass-through receivables, rather than unbilled revenues. Media pass-through receivables are created when the company purchases media/advertising for its clients as part of its creative services, which are then billed to the client. After adjusting for the incorrectly classified media-pass throughs, the actual unbilled revenue figure at the end of the 2Q was about \$66 million, down from \$74 million in the 1Q. The company plans to issue a corrected 10Q. The \$40 million media-pass through figure is consistent with information provided by management in its 2Q conference call on July 25, 2000.

40. MarchFIRST management, while reassuring analysts and investors as to the Company's financials, made no mention of the Company's receivables problems and the write-offs which would be necessary in coming months.

41. On 9/5/00, Lehman Brothers issued a report on marchFIRST by Kierstead which stated:

* On Friday [9/1/00] we spoke with the CFO of marchFIRST, who sounds very confident with Street estimates for 3Q00. Employee turnover should decline in 3Q00, the company is seeing no material demand slowdown and '.com' startups represent just 15% of the overall mix.

* Note that September 7th represents the 1-year anniversary of the Mitchell Madison Group deal, at which time 1.5 million unrestricted marchFIRST shares will be granted to ex-MMG partners and available for sale. The CFO believes that the subsequent turnover risk is low.

* At 17 times estimated 2001 EPS the shares look cheap. We believe that the stock will begin working later in 2000 when 3Q00 numbers are released and the sector sentiment improves.

42. On 9/6/00, A.G. Edwards issued a report on marchFIRST by Browder which stated:

After a conversation with the CFO of marchFIRST this morning, we believe that the company is on track for the September quarter. For this third fiscal quarter, our cash EPS estimate is \$0.20 vs. \$0.15, which is in-line with consensus estimates. Our revenue estimate of \$404.2 million reflects 6% sequential growth and 36% annual growth on a pro forma basis.

We believe turnover is trending down, a good sign that the acquisition-related departures are slowing. In addition, in mid-August, the company had 225 net billable adds, which put it on schedule for its target of 400-plus net new hires for the quarter.

43. On 9/8/00, Credit Suisse First Boston issued a report on marchFIRST by Mark Wolfenberger which stated:

Mid-qtr update post conversation w/ mgmt. Tone positive, pipeline solid. Global scale & breadth of services (strategy through back-end integration & hosting) continuing to differentiate MRCH in market.

USWB integration concluding this qtr, while co focused on hiring leader in NY. Believe co looking at expansion into Asia through potential JV, enabling MRCH rapid mkt entry into partner's base of customers.

Metrics tracking firmly across the board including T/O in-line to slightly below Q2's 22%, bill rates in-line to ahead of our \$153/hr est (up \$2/hr Q/Q), util 63-64% level (63% est, 64% Q2), & hiring on target w/ 400 net add est. Host One appears on track for another solid qtr.

Accordingly, expect revs & EPS in-line to slightly ahead of our \$406M & \$0.20 EPS est, resp. Model continues to contain potential upside leverage through hosting, util, & bill rates.

Services value play at 18.6x FY01 EPS ests for company w/ broadest skill set in Internet services industry. MRCH remains well positioned as engagements become more complex, larger in scale, & more global. Maintain Strong Buy.

44. In fact, as defendants knew, marchFIRST's September quarter was not on track and marchFIRST had uncollectible receivables which would adversely impact its results, the pipeline was not solid and marchFIRST would report nowhere close to \$.20 in the 3rdQ 00.

45. On 9/11/00, marchFIRST made a presentation at the DLJ 2000 Growth Stock Conference in which it represented that:

- 3rdQ 00 business remained on track and the Company should obtain revenue targets of \$404 million.

- The Company sees pipeline growth to \$800 million, and 5,000 active clients. 25% of future growth will come from strategy work.

46. On 9/18/00, marchFIRST announced management changes:

marchFIRST, Inc., a leading global professional services company, today announced the promotions of Thomas Metz to President/Chief Operating Officer, Michael Berent to Executive Vice President in charge of North American Professional Services and Peter Murphy to Chief Financial Officer, effective immediately. The Company also named John Peschier Managing Executive, Investor Relations.

Robert Clarkson, Chief Operating Officer, and Bert Young, Chief Financial Officer, will transition their current roles to Metz, Berent and Murphy through the end of October. Clarkson intends to spend more time with his family and pursue other interests. Young intends to relocate to his native Utah, where he will pursue an opportunity with a voice technology company that provides wireless access to critical information.

47. Several analysts commented on the resignation of the CFO and that it was not an indication of any accounting problems. This demonstrates defendants' concealment of the Company's severe receivables problems. Note the following comments:

- George K. Baum & Company: "The change at the CFO position was one of a personal nature and should not be viewed as an indication of any financial issues."

- A.G. Edwards: "We believe that moving these people into new top management positions strengthens marchFIRST's large-company expertise and are a positive sign that the company is completing its integration and focusing on growth. While the shares may be weak initially as investors generally interpret management changes as a negative, we believe that today's news is a positive for the shares over the long term."

- ING Barings: "CFO Bert Young is leaving marchFIRST to join a voice-recognition technology start-up in his home state of Utah. We view this as a personal decision on the CFO's part, and underscore that we do not see any 'red flags' here."

48. On 9/20/00, marchFIRST's management, including its new CFO and new COO, presented at the ING Barings 3rd Millennium Conference. ING Barings wrote on 9/21/00 that:

Management confirmed its comfort with analysts' current estimates; we are looking for cash EPS of \$0.20 for Q3'00, which is in line with consensus. Berent and

Murphy both indicated that DSOs will continue to be a focus going forward, and we expect marchFIRST to show further improvement in the coming quarter. We also look for voluntary turnover to continue to trend down. As expected, management also indicated that utilization could be down a tick or so for Q3 as a result of marchFIRST's larger European workforce, but, based on yesterday's presentation, we expect it to trend upward after Q3.

49. On 9/26/00, SG Cowen Securities Inc. issued a report repeating Bernard's and his new CFO's statements at SG Cowen's fall Technology Conference:

As indicated by the ongoing improvements in hourly bill rates, annual revenue per consultant, and especially, the impressive decline in voluntary turnover rates, the integration with USWeb is tracking ahead of expectations. For the pending third quarter, management expects more of the same. Turnover could decline to 20%, from the previous quarter's 22%. *Management does not intend to increase its allowance for bad debt reserve from the previous quarter's controversial \$20MM level, which increased from \$11MM. Currently 50% of the allowance covers 50 clients. Management is very comfortable with Street's estimates for the third quarter, 2000 and 2001.* marchFIRST is strategically positioned to compete in the current technology cycle: its has critical mass, huge scale, strong capabilities in managing large complex projects (average project size already \$6MM-\$8MM) and it is a TOTAL Solutions Provider able to provide strategy, creative, technology and "virtual ASP" services. We believe that marchFIRST can ultimately become a formidable competitor to The Big Five consulting firms.

Financial Preview:

-SALES. We expect sales to increase 6.0% sequentially to \$403.0MM. Our model reflects a sequential increase in billable headcount of 5.9% to 8,495.

-METRICS. We expect an improvement in most closely watched metrics (hourly bill rates, utilization, and annual revenue per consultant).

-GROSS AND OPERATING MARGIN TRENDS. We expect gross margin to remain flat sequentially at 49.3%. We expect a slight sequential increase in operating margin from the previous quarter's 12.5% to 12.6%.

-EPS. We expect EPS to reach \$0.20 per share, up 30% Y-O-Y and up 5% sequentially.

Highlights From Recent Presentation at SG Cowen's Fall Technology Conference:

-RECENT MANAGERIAL CHANGES. Newly appointed CFO, Peter Murphy presented to investors with CEO Bob Bernard. Search started three months ago with the help of previous CFO, Burt Young. Mr. Murphy has been with marchFIRST for the past two months. Other changes/promotions: former head of International promoted to COO and former head of integration promoted to head of N.A./Professional services. Most promotions are of executives previously with Whittman-Hart.

-OTHER DEVELOPMENTS.

Pricing-expect sequential (quarterly) upticks of \$3/hr-\$5/hr.

Engagement sizes: \$12MM (in Q2:00) vs. \$8MM and \$4MM in Q1:00 and Q4:99, respectively.

Engagement duration: over 9 months (in Q2:00) vs. 6-9 months and 6 months in Q1:00 and Q4:99, respectively.

B&P pipeline was quantified at \$1B.

Since the beginning of the year, accumulated significant critical mass: 72 offices, 14 countries, 1,880 new hires, processed 42,000 resumes.

Strong vertical market focus: financial services, media & entertainment, ETC.

Strong back-end integration effort with expertise in CRM, SCM, Business intelligence, and knowledge management applications (5,000 consultants).

Hosting services-expected to generate \$30MM in revenues and to break-even by year-end. "Host-1" operating at 20% capacity is hosting 130 clients. At full capacity, management expects the facility to generate OM that is north of 20%.

Wireless effort-via partnership with 3Com (royalty and revenue sharing), management expects to generate revenues of \$35MM-\$45MM.

New markets-Australia with three ongoing local engagements.

50. In fact, marchFIRST had large collectibility issues with respect to its receivables and its revenues in the nearly completed quarter were well below market expectations. However, defendants concealed this information from the markets.

51. As late as 10/23/00, the market still had no idea about marchFIRST's horrible receivables issues. On 10/23/00, McDonald Investments, Inc. issued a report entitled, "MRCH: TO REPORT 3Q00 RESULTS ON OCTOBER 24; 3Q EPS STILL ESTIMATED AT \$0.20."

52. Then on 10/24/00, marchFIRST shocked the market with horrible results, including revenues 10% below forecasts and EPS 95% below forecasts. The release stated:

marchFIRST, Inc., a leading global professional services company, today reported revenues and net income for the third quarter ended September 30, 2000.

Third-quarter revenues increased 24 percent to \$369.4 million from \$297.2 million for the same period last year. Revenues for the previous quarter were \$380.2 million.

Supplemental net income was \$2.0 million or 1 cent per share. Earnings per share figures were calculated on a fully diluted basis.

* * *

"The environment for professional services over the past few months has been challenging. A number of factors have created this environment including the downturn in the market, changing e-commerce priorities and the weakness of the euro. During this same period, marchFIRST laid the foundation for long-term growth by completing our extensive integration process," said Robert Bernard, marchFIRST Chairman and Chief Executive Officer.

53. On 10/24/00, TheStreet.com reported that:

After closing the books on the third quarter, executives of the consulting firm MarchFirst have spent the last few weeks promising Wall Street that the numbers looked fine. On Tuesday, they instead issued a report that showed \$45 million, more than 10% of revenue, had vanished.

The disclosure infuriated analysts and sparked a plunge in the once-high-flying stock's value.

Writing off as bad debt two accounts worth \$45 million, Chicago-based MarchFirst missed earnings predictions by a wide margin. The professional services company's stock was down \$7.06, or 60%, to \$4.75 in afternoon trading after hitting a 52-week low of \$4.59. Analysts said the money had seemingly vanished and, more disturbingly, would apparently continue to do so based on guidance company officials offered in a conference call.

The company, which gained fame earlier this year with its own marketing campaign based around the gimmick of beginning operations on March 1, once carried a market capitalization of more than \$12 billion. It was formed from the

merger of Whittman-Hart, a computer consulting company based in Chicago, and USWeb/CKS, a San Francisco-based company specializing in Internet design and marketing strategy, in a stock swap valued at around \$5.87 billion.

It was MarchFirst's misfortune to begin operations in nearly direct synchronicity with a plunge in the valuation of Internet stocks. But while Robert Bernard, the company's chief executive, blamed the downturn in the Internet sector for the bulk of their troubles, it was the write-off that took Wall Street by surprise.

"The environment for professional services over the past few months has been challenging," Bernard said in a statement. "A number of factors have created this environment including the downturn in the market, changing e-commerce priorities and the weakness of the euro. During this same period, MarchFirst laid the foundation for long-term growth by completing our extensive integration process."

For the third quarter ended Sept. 30, MarchFirst said supplemental net income was \$2 million, or a penny a diluted share, compared to \$9.9 million, or 16 cents a diluted share, in the comparable quarter last year. Those figures do not include merger, stock compensation or amortization costs. Analysts polled by First Call/Thomson Financial had predicted earnings of 20 cents a share. Revenue increased 24% to \$369.4 million from \$297.2 million in the year-earlier period.

Without all the merger costs, which analysts in the survey had expected, the company reported a net loss of \$437 million, or \$2.86 a diluted share

"There is at least a significant portion of this which is internal," said Mark Wolfenberger, analyst for Credit Suisse First Boston. "Clearly they've got issues that are beyond those of this sector."

In a conference call with analysts and investors Tuesday, Peter Murphy, who was promoted last month to chief financial officer, offered a limited explanation. Murphy, who built a career at the accounting firm Coopers & Lybrand and served as an executive at Moore and Kraft General Foods, said that in August the company began investigating two key accounts worth \$45 million in revenue.

The company determined that the accounts, which Murphy did not name, should be written off as bad debt. According to the company, \$25 million from one account was attributed on balance sheets to goodwill and \$20 million from the other account went to general and administrative expenses.

"How do you let that large a receivable go out to a client when you're not sure you're going to be able to collect it?" asked Steven Birer, analyst for Robertson Stephens, which co-managed a secondary public offering for MarchFirst. Birer rated

the stock a buy until Tuesday, and he was unsure whether he would alter his rating based on the new information. "Where'd the money go?"

Perhaps more importantly, Birer added, it seemed unclear where the money would continue to go. In the conference call, company officials said revenue would be flat in the fourth quarter and the first quarter of 2001, with 20% growth overall for next year. But that would seemingly contradict company officials' promises that they would continue to grow the consulting staff and attract more business, Birer said. And while the company called half of the deferred revenue an equity investment, it said it might recognize the other half in coming quarters, he noted, wondering why that factor would not boost revenues above flat.

In the call, MarchFirst officials said they will likely need another stock or debt offering to raise capital. They predicted earnings of 10 to 15 cents a share in the fourth quarter, compared to First Call's current consensus of 21 cents a share. For next year, they predicted earnings of 60 to 65 cents a share, compared to the First Call consensus of \$1.05.

But after failing to pre-announce the missing revenue and telling analysts just weeks ago that the quarter was on track, the company, which has never missed estimates in 16 quarters as a publicly traded entity, lacked credibility on Wall Street.

"I don't have any faith in management right now," said Drake Johnstone, analyst for Davenport & Co. who rates the stock a hold and whose firm has not done underwriting for MarchFirst. "Given that Robert Bernard was the one on the Street giving this guidance, the best thing the company could do would be to fire him."

54. Thus, marchFIRST's 3rdQ 00 earnings were less than 5% the amount represented by defendants, *i.e.*, \$.01 versus estimates of \$0.20. Upon these revelations, marchFIRST stock collapsed to a low of \$4-19/32 on 10/24/00, some 82% below the Class Period high of \$26-1/2, on huge volume of 49.8 million shares, inflicting hundreds of millions of dollars of damages on plaintiffs and the Class.

55. Analysts reacted with shock to the sudden announcements, slashing 00 EPS estimates to \$0.45-\$0.50 versus the \$0.76-\$0.77 forecast during the Class Period. ING Barings analyst Ficker wrote:

* We are also lowering our Q400 and 2001 estimates to reflect the Q300 shortfall as well as revised guidance from management. We now look for 2000 revenue and cash EPS of \$1.5 billion and \$0.45 respectively, versus prior expectations of \$1.6 billion and \$0.77.

* Revised guidance from management calls for 20% y-o-y revenue growth for 2001, as well as cash EPS in the range of \$0.60 - \$0.65; our revised estimates are for a 19% annual top-line improvement and \$0.55 on the bottom line, below management's guidance.

* We believe that management's credibility has been put into question, as the Street was clearly surprised by this shortfall. In addition, lowered guidance and the likelihood of option repricing have led us to downgrade the MRCH shares.

56. A.G. Edwards analyst Browder wrote:

We are lowering our rating on the shares of marchFIRST to Maintain/Speculative. The company do [sic] not meet third quarter expectations and, in our opinion, has lost significant credibility in not pre-releasing this bad news. (Despite numerous other companies in the sector pre-releasing with bad news, marchFIRST had remained comfortable with estimates.) We believe that it will take several quarters for management to regain this credibility.

MARCHFIRST'S FALSE FINANCIAL REPORTING DURING THE CLASS PERIOD

57. In order to inflate the price of MarchFIRST's stock, defendants caused the Company to falsely report its results for the 2ndQ 00 by failing to adequately accrue for bad debts, thereby materially overstating its net income and EPS. Ultimately, MarchFIRST's results for the 3rdQ 00 were adversely affected by its improper accounting in the prior quarter due in part to receivables issues.

58. MarchFIRST reported the following amounts for the 2ndQ 00 (including supplemental income):

| | |
|------------|----------------|
| Revenue | <u>6/30/00</u> |
| Net Income | \$380.2 M |
| EPS | \$29.7 M |
| | \$.19 |

These results were included in a Form 10-Q filed with the SEC in 8/00. The Form 10-Q, which was signed by Bernard, represented that "the information furnished herein includes all adjustments, which are, in the opinion of management, necessary for a fair presentation of results for these interim periods."

59. This representation was false and misleading when made, as MarchFIRST's financial statements for the 2ndQ 00 were not a fair presentation of MarchFIRST's results and were presented in violation of GAAP and SEC rules.

60. GAAP are those principles recognized by the accounting profession as the conventions, rules and procedures necessary to define accepted accounting practice at a particular time. SEC Regulation S-X (17 C.F.R. §210.4-01(a)(1)) states that financial statements filed with the SEC which are not prepared in compliance with GAAP are presumed to be misleading and inaccurate, despite footnote or other disclosure. Regulation S-X requires that interim financial statements must also comply with GAAP, with the exception that interim financial statements need not include disclosure which would be duplicative of disclosures accompanying annual financial statements. 17 C.F.R. §210.10-01(a).

61. GAAP, as set forth in SFAS No. 5, Accounting for Contingencies, requires that the estimated portion of uncollectible accounts receivable be accrued in the period it becomes evident that receivables or some portion of the receivables will not be collected. SFAS No. 5, ¶22 states in part:

Losses from uncollectible receivables shall be accrued when both conditions in paragraph 8 [it is probable that an asset has been impaired and the amount of loss can

be reasonably estimated] are met. Those conditions may be considered in relation to individual receivables or in relation to groups of similar types of receivables. If the conditions are met, accrual shall be made even though the particular receivables that are uncollectible may not be identifiable.

62. During the Class Period, marchFIRST failed to adequately accrue losses for uncollectible receivables in order to inflate its reported results, contrary to GAAP.

63. Unfortunately for investors, these results, and the representations concerning them, were false. Absent the Company's improper accounting for revenues and receivables, MarchFIRST would have reported less than \$0.15 per share in the 2ndQ 00 compared to the supplemental \$0.19 (excluding merger related amortization and charges) it actually reported. marchFIRST subsequently acknowledged that one of its bad debts in the amount of \$25 million would be charged to goodwill. This indicates the receivable was acquired through an acquisition, rather than generated through the Company's ongoing business. Accordingly, the receivable was well over 120 days old at the time the Company reported its 2ndQ 00 results. Moreover, by the 2ndQ 00, marchFIRST also had a problematic receivable worth \$20 million and a dispute with Televisa in Mexico. Thus, it was probable (as per SFAS No. 5, described above) that a significant portion of its receivables were not collectible. While marchFIRST increased its reserve for doubtful accounts by \$10 million in the 2ndQ 00, this was woefully inadequate to reflect the loss the defendants knew the Company had suffered by 6/30/00 due to uncollectible receivables.

64. Ultimately, MarchFIRST announced 3rdQ 00 results which were extremely disappointing due in part to problematic receivables.

65. Due to these accounting improprieties, the Company presented its financial results and statements in a manner which violated GAAP, including the following fundamental accounting principles:

- (a) The principle that interim financial reporting should be based upon the same accounting principles and practices used to prepare annual financial statements was violated (APB No. 28, ¶10);
- (b) The principle that financial reporting should provide information that is useful to present and potential investors and creditors and other users in making rational investment, credit and similar decisions was violated (FASB Statement of Concepts No. 1, ¶34);
- (c) The principle that financial reporting should provide information about the economic resources of an enterprise, the claims to those resources, and effects of transactions, events and circumstances that change resources and claims to those resources was violated (FASB Statement of Concepts No. 1, ¶40);
- (d) The principle that financial reporting should provide information about how management of an enterprise has discharged its stewardship responsibility to owners (stockholders) for the use of enterprise resources entrusted to it was violated. To the extent that management offers securities of the enterprise to the public, it voluntarily accepts wider responsibilities for accountability to prospective investors and to the public in general (FASB Statement of Concepts No. 1, ¶50);
- (e) The principle that financial reporting should provide information about an enterprise's financial performance during a period was violated. Investors and creditors often use information about the past to help in assessing the prospects of an enterprise. Thus, although investment and credit decisions reflect investors' expectations about future enterprise performance,

those expectations are commonly based at least partly on evaluations of past enterprise performance (FASB Statement of Concepts No. 1, ¶42);

(f) The principle that financial reporting should be reliable in that it represents what it purports to represent was violated. That information should be reliable as well as relevant is a notion that is central to accounting (FASB Statement of Concepts No. 2, ¶¶58-59);

(g) The principle of completeness, which means that nothing is left out of the information that may be necessary to insure that it validly represents underlying events and conditions was violated (FASB Statement of Concepts No. 2, ¶79); and

(h) The principle that conservatism be used as a prudent reaction to uncertainty to try to ensure that uncertainties and risks inherent in business situations are adequately considered was violated. The best way to avoid injury to investors is to try to ensure that what is reported represents what it purports to represent (FASB Statement of Concepts No. 2, ¶¶95, 97).

66. Further, the undisclosed adverse information concealed by defendants during the Class Period is the type of information which, because of SEC regulations, regulations of the national stock exchanges and customary business practice, is expected by investors and securities analysts to be disclosed and is known by corporate officials and their legal and financial advisors to be the type of information which is expected to be and must be disclosed.

CLASS ACTION ALLEGATIONS

67. This is a class action on behalf of purchasers of marchFIRST stock between 7/25/00 and 10/23/00, excluding defendants (the "Class"). Excluded from the Class are officers and directors of the Company, as well as their families and family of the Individual Defendant. Class members are so numerous that joinder of them is impracticable.

68. Common questions of law and fact predominate and include whether defendants: (i) violated the 1934 Act; (ii) omitted and/or misrepresented material facts; (iii) knew or recklessly disregarded that their statements were false; and (iv) artificially inflated marchFIRST's stock price and the extent of and appropriate measure of damages.

69. Plaintiffs' claims are typical of those of the Class. Prosecution of individual actions would create a risk of inconsistent adjudications. Plaintiffs will adequately protect the interests of the Class. A class action is superior to other available methods for the fair and efficient adjudication of this controversy.

STATUTORY SAFE HARBOR

70. The statutory safe harbor provided for forward-looking statements ("FLS") does not apply to the false FLS pleaded. None of the *particular* oral FLS in marchFIRST's conferences and meetings with analysts were so identified as required. The defendants are liable for the false FLS pleaded because, at the time each FLS was made, the speaker knew the FLS was false and the FLS was authorized and/or approved by an executive officer of marchFIRST who knew that the FLS was false. None of the historic or present-tense statements made by defendants were assumptions underlying or relating to any plan, projection or statement of future economic performance, as they were not stated to be such assumptions underlying or relating to any projection or statement of future economic performance when made nor were any of the projections or forecasts made by defendants expressly related to or stated to be dependent on those historic or present-tense statements when made.

FIRST CLAIM FOR RELIEF

**For Violation of §10(b) of the 1934
Act Against All Defendants**

71. Plaintiffs incorporate ¶¶1-70 by reference.
72. Defendants violated §10(b) and Rule 10b-5 by:
- (a) Employing devices, schemes and artifices to defraud;
 - (b) Making untrue statements of material facts and omitting to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and
 - (c) Engaging in acts, practices and a course of business that operated as a fraud or deceit upon the Class in connection with their purchases of marchFIRST stock.
73. Class members were damaged. In reliance on the integrity of the market, they paid artificially inflated prices for marchFIRST stock.

SECOND CLAIM FOR RELIEF

**For Violation of §20(a) of the 1934 Act
Against All Defendants**

74. Plaintiffs incorporate ¶¶1-73 by reference.
75. The Individual Defendant acted as a controlling person of marchFIRST within the meaning of §20(a) of the 1934 Act. By reason of his positions as an officer/director of marchFIRST, and his ownership of marchFIRST stock, defendant Bernard had the power and authority to cause marchFIRST to engage in the wrongful conduct complained of herein. MarchFIRST controlled defendant Bernard and all of its employees. By reason of such conduct, defendant Bernard and marchFIRST are liable pursuant to §20(a) of the 1934 Act.

PRAYER

WHEREFORE, plaintiffs pray for judgment as follows: declaring this action to be a proper class action; awarding damages, including interest; and such other equitable/injunctive relief as the Court may deem proper.


JURY DEMAND

Plaintiffs demand a trial by jury.

DATED: October 26, 2000

Respectfully submitted,
Plaintiffs

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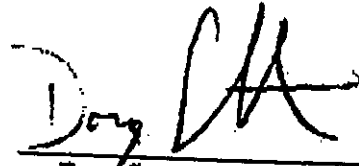
Attorneys for Plaintiffs

CERTIFICATION OF DOUG SUTTON
IN SUPPORT OF CLASS ACTION COMPLAINT

Doug Sutton ("plaintiff") declares, as to the claims asserted under the federal securities laws, that:

1. Plaintiff has reviewed the complaint prepared by counsel in the above-captioned case and has authorized its filing.
2. Plaintiff did not purchase the securities that are the subject of the complaint at the direction of plaintiff's counsel or in order to participate in any private action arising under the federal securities laws.
3. Plaintiff is willing to serve as a representative party on behalf of a class, including providing testimony at deposition and trial, if necessary.
4. During the proposed Class Period, plaintiff executed transactions in the securities of marchFirst, Inc. as follows: See Attached Schedule.
5. In the past three years, plaintiff has not sought to serve as a representative party on behalf of a class in an action filed under the federal securities law.
6. Plaintiff will not accept any payment for serving as a representative party on behalf of a class beyond plaintiff's pro rata share of any recovery, except such reasonable costs and expenses (including lost wages) directly relating to the representation of the Class as ordered or approved by the Court.

I declare under penalty of perjury that the foregoing is true and correct. Executed this
24th day of October, 2000.



Doug Sutton

| Date | Shares | Price |
|----------|--------|---------|
| 07/27/00 | 1000 | 21.5625 |
| 07/28/00 | 1000 | 21.1875 |
| 07/28/00 | 1000 | 20.7500 |
| 07/28/00 | 1000 | 20.6250 |
| 07/28/00 | 1000 | 20.5000 |
| 07/31/00 | 969 | 20.9961 |
| 08/02/00 | 1000 | 21.1875 |
| 08/02/00 | 400 | 22.1211 |
| 08/02/00 | 600 | 22.1094 |
| 08/02/00 | 600 | 21.7500 |
| 08/02/00 | 400 | 21.8125 |
| 08/02/00 | 1000 | 21.0625 |
| 08/02/00 | 400 | 20.8125 |
| 08/03/00 | 500 | 20.0625 |
| 08/03/00 | 100 | 20.1250 |
| 08/03/00 | 100 | 20.1250 |
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| 08/04/00 | 1000 | 21.0000 |
| 08/07/00 | 1000 | 20.0000 |
| 08/11/00 | 100 | 18.0000 |
| 08/11/00 | 100 | 18.0000 |
| 08/11/00 | 400 | 18.0000 |
| 08/11/00 | 100 | 18.0000 |
| 08/11/00 | 100 | 18.0000 |

Schedule A
Doug Sutton
Transactions in marchFirst, Inc.

| | | |
|----------|-------|---------|
| 08/11/00 | 100 | 18.0000 |
| 08/11/00 | 100 | 18.0000 |
| 08/11/00 | 100 | 17.5625 |
| 08/11/00 | 100 | 17.5625 |
| 08/11/00 | 100 | 17.5625 |
| 08/11/00 | 400 | 17.5625 |
| 08/11/00 | 100 | 17.5625 |
| 08/11/00 | 100 | 17.5625 |
| 08/11/00 | 100 | 17.5625 |
| 08/11/00 | 1000 | 17.6250 |
| 08/15/00 | 1000 | 20.7500 |
| 08/15/00 | 1,000 | 20.5000 |
| 08/22/00 | 1000 | 22.0625 |
| 08/25/00 | 300 | 21.7500 |
| 08/31/00 | 100 | 19.3750 |
| 08/31/00 | 900 | 19.3750 |
| 08/31/00 | 1000 | 19.3086 |
| 08/31/00 | 100 | 19.1875 |
| 08/31/00 | 500 | 19.1836 |
| 08/31/00 | 500 | 19.1875 |
| 08/31/00 | 100 | 18.8906 |
| 08/31/00 | 100 | 18.9375 |
| 08/31/00 | 300 | 18.9375 |
| 08/31/00 | 100 | 18.9375 |
| 08/31/00 | 100 | 18.9375 |
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| 08/31/00 | 1000 | 18.8750 |
| 08/31/00 | 100 | 19.0625 |
| 08/31/00 | 1000 | 19.0625 |
| 08/31/00 | 1000 | 18.8750 |
| 08/31/00 | 2,200 | 18.7500 |
| 09/01/00 | 1000 | 18.1250 |
| 09/05/00 | 700 | 19.3125 |
| 09/05/00 | 300 | 19.3125 |
| 09/06/00 | 100 | 20.7500 |
| 09/06/00 | 100 | 20.7500 |
| 09/06/00 | 112 | 20.7500 |
| 09/06/00 | 500 | 20.7500 |
| 09/06/00 | 100 | 20.7500 |
| 09/06/00 | 1000 | 20.3125 |

Schedule A
Doug Sutton
Transactions in marchFirst, Inc.

| | | |
|----------|------|---------|
| 09/06/00 | 1000 | 19.3750 |
| 09/07/00 | 500 | 19.8125 |
| 09/07/00 | 100 | 19.8125 |
| 09/07/00 | 100 | 19.8125 |
| 09/07/00 | 200 | 19.8125 |
| 09/07/00 | 100 | 19.8125 |
| 09/07/00 | 100 | 19.8125 |
| 09/07/00 | 100 | 19.8125 |
| 09/07/00 | 100 | 19.8125 |
| 09/07/00 | 700 | 19.8125 |
| 09/07/00 | 1000 | 19.8125 |
| 09/07/00 | 100 | 19.8125 |
| 09/07/00 | 100 | 19.8125 |
| 09/07/00 | 100 | 19.8125 |
| 09/07/00 | 700 | 19.8125 |
| 09/07/00 | 582 | 19.7500 |
| 09/07/00 | 400 | 19.7500 |
| 09/08/00 | 918 | 19.7500 |
| 09/08/00 | 309 | 19.6250 |
| 09/08/00 | 691 | 19.6875 |
| 09/08/00 | 1000 | 21.0625 |
| 09/12/00 | 1000 | 20.3125 |
| 09/13/00 | 1000 | 19.5625 |
| 09/13/00 | 1000 | 19.5625 |
| 09/13/00 | 1000 | 19.4375 |
| 09/13/00 | 1000 | 19.4375 |
| 09/13/00 | 86 | 19.3125 |
| 09/14/00 | 100 | 19.8750 |
| 09/14/00 | 900 | 19.8750 |
| 09/14/00 | 100 | 19.8750 |
| 09/14/00 | 1000 | 19.8750 |
| 09/15/00 | 443 | 19.0625 |
| 09/15/00 | 1000 | 18.9375 |
| 09/18/00 | 1000 | 17.8750 |
| 09/18/00 | 1000 | 17.9375 |
| 09/18/00 | 939 | 17.8125 |
| 09/18/00 | 50 | 17.7500 |
| 09/18/00 | 300 | 17.8125 |
| 09/18/00 | 600 | 17.8750 |
| 09/18/00 | 1000 | 17.7500 |
| 09/18/00 | 1000 | 17.7500 |
| 09/20/00 | 1000 | 18.3594 |
| 09/20/00 | 1000 | 18.7500 |
| 09/20/00 | 1000 | 18.6250 |

Schedule A
Doug Sutton
Transactions in marchFirst, Inc.

| | | |
|----------|-------|---------|
| 09/20/00 | 100 | 18.5000 |
| 09/20/00 | 200 | 18.5000 |
| 09/20/00 | 75 | 18.3750 |
| 09/20/00 | 100 | 18.4375 |
| 09/21/00 | 1000 | 17.7500 |
| 09/22/00 | 1000 | 17.7500 |
| 09/25/00 | 1000 | 16.6250 |
| 09/25/00 | 1000 | 15.9375 |
| 09/25/00 | 1000 | 15.8750 |
| 09/25/00 | 1000 | 15.8711 |
| 09/25/00 | 1000 | 15.8125 |
| 09/25/00 | 1000 | 15.8750 |
| 09/27/00 | 200 | 15.5625 |
| 09/27/00 | 1000 | 15.5625 |
| 09/27/00 | 1000 | 15.0586 |
| 09/27/00 | 1000 | 15.0000 |
| 09/27/00 | 1000 | 14.7500 |
| 09/27/00 | 1000 | 14.7500 |
| 09/27/00 | 1000 | 14.5625 |
| 09/27/00 | 900 | 13.6250 |
| 09/27/00 | 900 | 13.8750 |
| 09/27/00 | 100 | 13.8750 |
| 09/27/00 | 1000 | 13.8125 |
| 09/27/00 | 600 | 14.3125 |
| 09/27/00 | 2,000 | 14.3750 |
| 09/27/00 | 3,000 | 14.2500 |
| 09/27/00 | 100 | 14.2500 |
| 09/27/00 | 1000 | 14.2461 |
| 09/27/00 | 1000 | 14.2500 |
| 09/27/00 | 1000 | 14.2500 |
| 09/27/00 | 2,000 | 14.1875 |
| 09/27/00 | 2,740 | 14.0000 |
| 09/27/00 | 2,000 | 14.0000 |
| 09/27/00 | 1000 | 14.0000 |
| 09/27/00 | 100 | 14.0000 |
| 09/27/00 | 1,400 | 14.0000 |
| 09/27/00 | 1000 | 14.0000 |
| 09/27/00 | 460 | 13.9961 |
| 10/04/00 | 250 | 13.1250 |
| 10/04/00 | 550 | 13.1875 |
| 10/04/00 | 1000 | 13.1250 |
| 10/04/00 | 950 | 13.0625 |
| 10/04/00 | 350 | 13.1250 |
| 10/04/00 | 172 | 13.1250 |

Schedule A
Doug Sutton
Transactions in marchFirst, Inc.

| | | |
|----------|-------|---------|
| 10/06/00 | 1000 | 11.7500 |
| 10/06/00 | 1000 | 11.7500 |
| 10/06/00 | 2,000 | 11.3125 |
| 10/06/00 | 1000 | 10.7500 |
| 10/06/00 | 1000 | 10.6875 |
| 10/06/00 | 1000 | 10.6875 |
| 10/06/00 | 1000 | 10.6875 |
| 10/06/00 | 1000 | 10.6875 |
| 10/06/00 | 300 | 10.8125 |
| 10/06/00 | 1000 | 10.8125 |
| 10/06/00 | 1000 | 11.8125 |
| 10/06/00 | 100 | 11.8125 |
| 10/06/00 | 1000 | 11.8125 |
| 10/06/00 | 800 | 11.8125 |
| 10/06/00 | 700 | 11.8125 |
| 10/06/00 | 500 | 12.0469 |
| 10/06/00 | 200 | 12.0625 |
| 10/06/00 | 1000 | 11.8125 |
| 10/06/00 | 1000 | 11.8125 |
| 10/06/00 | 1000 | 11.8125 |
| 10/06/00 | 2,000 | 11.5625 |
| 10/06/00 | 2,000 | 11.7500 |
| 10/06/00 | 2,000 | 11.7500 |
| 10/06/00 | 2,000 | 11.7500 |
| 10/06/00 | 2,000 | 11.7500 |
| 10/06/00 | 903 | 11.5000 |
| 10/06/00 | 1,000 | 11.6250 |
| 10/06/00 | 100 | 11.6875 |
| 10/06/00 | 2,000 | 11.8750 |
| 10/06/00 | 2,000 | 11.8750 |
| 10/09/00 | 1000 | 11.6250 |
| 10/09/00 | 1000 | 11.4375 |
| 10/09/00 | 950 | 10.8125 |
| 10/10/00 | 100 | 10.6875 |
| 10/10/00 | 1000 | 10.1211 |
| 10/10/00 | 1000 | 10.1250 |
| 10/10/00 | 1000 | 10.0000 |
| 10/10/00 | 100 | 10.0000 |
| 10/10/00 | 1000 | 10.0000 |
| 10/10/00 | 800 | 10.0000 |
| 10/10/00 | 100 | 10.0000 |
| 10/10/00 | 3,000 | 10.0000 |
| 10/10/00 | 3,000 | 9.9375 |
| 10/10/00 | 2,100 | 9.8750 |

Schedule A
Doug Sutton
Transactions in MarchFirst, Inc.

| | | |
|----------|-------|---------|
| 10/10/00 | 1000 | 9.7500 |
| 10/11/00 | 1000 | 9.0625 |
| 10/11/00 | 1000 | 9.1875 |
| 10/11/00 | 1000 | 9.1250 |
| 10/11/00 | 1000 | 10.0625 |
| 10/11/00 | 1000 | 10.6250 |
| 10/11/00 | 1000 | 11.0000 |
| 10/11/00 | 650 | 11.1836 |
| 10/11/00 | 2,600 | 11.1250 |
| 10/12/00 | 1,902 | 11.1250 |
| 10/12/00 | 1000 | 11.1250 |
| 10/12/00 | 1000 | 11.8750 |
| 10/12/00 | 150 | 11.1875 |
| 10/12/00 | 1000 | 11.2500 |
| 10/12/00 | 100 | 11.1875 |
| 10/12/00 | 1000 | 10.7578 |
| 10/12/00 | 1000 | 10.5625 |
| 10/13/00 | 2,000 | 10.5625 |
| 10/13/00 | 2,000 | 10.6250 |
| 10/16/00 | 1000 | 10.5000 |
| 10/18/00 | 658 | 10.0625 |
| 10/18/00 | 342 | 10.0625 |
| 10/18/00 | 1000 | 9.7188 |
| 10/18/00 | 2,000 | 10.1875 |
| 10/18/00 | 200 | 10.0625 |
| 10/18/00 | 400 | 10.0625 |
| 10/18/00 | 150 | 10.0000 |
| 10/23/00 | 2,000 | 11.6250 |

Sales

| Date | Shares | Price |
|-------------|---------------|--------------|
| 07/27/00 | 1000 | 21.7500 |
| 07/28/00 | 1000 | 21.4375 |
| 07/28/00 | 3000 | 21.1875 |
| 08/01/00 | 100 | 21.0000 |
| 08/01/00 | 869 | 21.1914 |
| 08/02/00 | 100 | 21.1250 |
| 08/02/00 | 100 | 21.1250 |
| 08/02/00 | 100 | 21.1250 |
| 08/02/00 | 700 | 21.5039 |
| 08/02/00 | 500 | 22.0000 |
| 08/02/00 | 100 | 22.0000 |
| 08/02/00 | 100 | 22.0000 |
| 08/02/00 | 200 | 22.0000 |

Schedule A
Doug Sutton
Transactions in marchFirst, Inc.

| | | |
|----------|------|---------|
| 08/02/00 | 100 | 22.0000 |
| 08/02/00 | 711 | 21.6289 |
| 08/02/00 | 100 | 21.6250 |
| 08/02/00 | 89 | 21.6250 |
| 08/02/00 | 100 | 20.7500 |
| 08/02/00 | 100 | 20.7500 |
| 08/02/00 | 100 | 20.7500 |
| 08/02/00 | 100 | 20.7500 |
| 08/02/00 | 100 | 20.7500 |
| 08/02/00 | 100 | 20.7500 |
| 08/04/00 | 1000 | 20.3164 |
| 08/04/00 | 335 | 20.3750 |
| 08/04/00 | 1000 | 20.1289 |
| 08/04/00 | 485 | 20.1875 |
| 08/11/00 | 100 | 17.8438 |
| 08/11/00 | 500 | 17.6563 |
| 08/11/00 | 100 | 18.0000 |
| 08/11/00 | 100 | 17.8750 |
| 08/11/00 | 300 | 17.8125 |
| 08/11/00 | 500 | 18.4375 |
| 08/11/00 | 132 | 18.5000 |
| 08/11/00 | 200 | 18.4375 |
| 08/14/00 | 1000 | 18.8164 |
| 08/14/00 | 1000 | 20.0000 |
| 08/14/00 | 1000 | 20.0000 |
| 08/14/00 | 68 | 19.8125 |
| 08/22/00 | 1000 | 22.1875 |
| 08/25/00 | 300 | 21.6875 |
| 08/31/00 | 100 | 19.1250 |
| 08/31/00 | 100 | 19.1250 |
| 08/31/00 | 1000 | 19.0000 |
| 08/31/00 | 1000 | 18.8750 |
| 08/31/00 | 900 | 18.8750 |
| 08/31/00 | 1000 | 18.6250 |
| 08/31/00 | 1000 | 19.0000 |
| 08/31/00 | 1000 | 19.0000 |
| 09/01/00 | 100 | 19.3125 |
| 09/01/00 | 100 | 19.3125 |
| 09/01/00 | 100 | 19.3125 |
| 09/01/00 | 100 | 19.3125 |
| 09/01/00 | 1000 | 19.2500 |
| 09/01/00 | 900 | 19.0000 |
| 09/01/00 | 900 | 18.8750 |
| 09/01/00 | 100 | 18.1250 |
| 09/01/00 | 1000 | 18.1250 |

Schedule A
Doug Sutton
Transactions in marchFirst, Inc.

| | | |
|----------|------|---------|
| 09/05/00 | 2000 | 19.0000 |
| 09/05/00 | 1000 | 19.3750 |
| 09/06/00 | 912 | 20.7500 |
| 09/06/00 | 1000 | 19.7500 |
| 09/07/00 | 1000 | 19.7500 |
| 09/07/00 | 2015 | 19.8789 |
| 09/07/00 | 985 | 19.8750 |
| 09/07/00 | 1000 | 19.9375 |
| 09/08/00 | 900 | 20.0000 |
| 09/08/00 | 1000 | 19.6875 |
| 09/08/00 | 1000 | 21.2500 |
| 09/12/00 | 1000 | 20.4414 |
| 09/13/00 | 900 | 19.5625 |
| 09/13/00 | 1100 | 19.5000 |
| 09/14/00 | 1000 | 19.6250 |
| 09/14/00 | 1000 | 19.8125 |
| 09/18/00 | 1500 | 18.8750 |
| 09/18/00 | 500 | 18.8750 |
| 09/18/00 | 43 | 17.8750 |
| 09/18/00 | 1957 | 17.8789 |
| 09/18/00 | 1000 | 17.7500 |
| 09/18/00 | 1000 | 17.8125 |
| 09/18/00 | 1000 | 17.8125 |
| 09/18/00 | 1000 | 17.8125 |
| 09/18/00 | 518 | 17.8125 |
| 09/20/00 | 2000 | 17.8125 |
| 09/20/00 | 1000 | 18.6875 |
| 09/20/00 | 200 | 18.8125 |
| 09/22/00 | 942 | 17.7500 |
| 09/22/00 | 1000 | 17.7500 |
| 09/25/00 | 100 | 16.3750 |
| 09/25/00 | 100 | 16.3750 |
| 09/25/00 | 100 | 16.3750 |
| 09/25/00 | 400 | 15.9375 |
| 09/25/00 | 1000 | 15.8750 |
| 09/25/00 | 1000 | 15.8750 |
| 09/25/00 | 1000 | 15.7500 |
| 09/27/00 | 173 | 15.7500 |
| 09/27/00 | 800 | 15.7500 |
| 09/27/00 | 1000 | 15.8164 |
| 09/27/00 | 1000 | 15.5039 |
| 09/27/00 | 500 | 14.8789 |
| 09/27/00 | 500 | 14.8750 |
| 09/27/00 | 100 | 14.7500 |

Schedule A
Doug Sutton
Transactions in marchFirst, Inc.

| | | |
|----------|------|---------|
| 09/27/00 | 100 | 14.7500 |
| 09/27/00 | 100 | 14.7500 |
| 09/27/00 | 100 | 14.7500 |
| 09/27/00 | 100 | 14.6250 |
| 09/27/00 | 700 | 14.6250 |
| 09/27/00 | 100 | 14.6250 |
| 09/27/00 | 100 | 14.6250 |
| 09/27/00 | 100 | 14.5625 |
| 09/27/00 | 1000 | 14.5000 |
| 09/27/00 | 2300 | 14.0000 |
| 09/27/00 | 100 | 13.5000 |
| 09/27/00 | 100 | 13.5000 |
| 09/27/00 | 100 | 13.5000 |
| 09/27/00 | 100 | 13.5039 |
| 09/27/00 | 100 | 13.5000 |
| 09/27/00 | 500 | 14.1250 |
| 09/27/00 | 1000 | 14.1250 |
| 09/27/00 | 2960 | 14.1250 |
| 09/27/00 | 2600 | 14.1875 |
| 09/27/00 | 3100 | 14.1875 |
| 09/27/00 | 1000 | 14.1914 |
| 09/27/00 | 3000 | 14.0000 |
| 09/27/00 | 571 | 14.0000 |
| 09/27/00 | 429 | 14.0000 |
| 09/27/00 | 2000 | 13.9375 |
| 09/27/00 | 2700 | 13.9375 |
| 10/04/00 | 100 | 13.7500 |
| 10/04/00 | 700 | 13.3750 |
| 10/04/00 | 1950 | 13.5000 |
| 10/06/00 | 100 | 11.3750 |
| 10/06/00 | 1000 | 11.3125 |
| 10/06/00 | 100 | 11.3125 |
| 10/06/00 | 100 | 11.3125 |
| 10/06/00 | 100 | 11.3125 |
| 10/06/00 | 100 | 11.3125 |
| 10/06/00 | 100 | 11.3125 |
| 10/06/00 | 100 | 11.3125 |
| 10/06/00 | 100 | 11.3125 |
| 10/06/00 | 100 | 11.3125 |
| 10/06/00 | 10 | 11.2500 |
| 10/06/00 | 53 | 10.9414 |
| 10/06/00 | 100 | 10.9375 |

Schedule A
Doug Sutton
Transactions in marchFirst, Inc.

| | | |
|----------|------|---------|
| 10/06/00 | 100 | 10.9375 |
| 10/06/00 | 100 | 10.9375 |
| 10/06/00 | 1000 | 10.8789 |
| 10/06/00 | 100 | 10.9375 |
| 10/06/00 | 47 | 10.9375 |
| 10/06/00 | 100 | 10.9375 |
| 10/06/00 | 100 | 10.8125 |
| 10/06/00 | 100 | 10.8125 |
| 10/06/00 | 1000 | 10.6250 |
| 10/06/00 | 1000 | 10.6250 |
| 10/06/00 | 1000 | 10.6250 |
| 10/06/00 | 800 | 10.7500 |
| 10/06/00 | 1000 | 10.7500 |
| 10/06/00 | 1000 | 10.7500 |
| 10/06/00 | 1000 | 11.7500 |
| 10/06/00 | 1000 | 11.7500 |
| 10/06/00 | 2000 | 11.7500 |
| 10/06/00 | 2012 | 11.7500 |
| 10/06/00 | 600 | 12.0625 |
| 10/06/00 | 54 | 12.0000 |
| 10/06/00 | 200 | 12.0000 |
| 10/06/00 | 2500 | 12.0000 |
| 10/06/00 | 2000 | 11.6875 |
| 10/06/00 | 2000 | 11.7500 |
| 10/06/00 | 3046 | 11.7500 |
| 10/06/00 | 2000 | 11.6875 |
| 10/06/00 | 2000 | 11.5000 |
| 10/06/00 | 1700 | 11.5313 |
| 10/06/00 | 1200 | 11.5000 |
| 10/09/00 | 1000 | 12.1250 |
| 10/09/00 | 1000 | 11.8164 |
| 10/09/00 | 1000 | 11.4375 |
| 10/09/00 | 1000 | 11.4375 |
| 10/09/00 | 100 | 11.4375 |
| 10/10/00 | 1100 | 9.9375 |
| 10/10/00 | 900 | 9.9414 |
| 10/10/00 | 1053 | 9.8750 |
| 10/10/00 | 2000 | 9.8750 |
| 10/10/00 | 300 | 10.0000 |
| 10/10/00 | 100 | 9.9375 |
| 10/10/00 | 100 | 9.9375 |
| 10/10/00 | 100 | 9.9375 |
| 10/10/00 | 100 | 9.9375 |
| 10/10/00 | 1900 | 9.9375 |

Schedule A
Doug Sutton
Transactions in marchFirst, Inc.

| | | |
|----------|------|---------|
| 10/10/00 | 60 | 9.9414 |
| 10/10/00 | 100 | 9.9375 |
| 10/10/00 | 100 | 9.9375 |
| 10/10/00 | 100 | 9.9375 |
| 10/10/00 | 100 | 9.9375 |
| 10/10/00 | 100 | 9.9063 |
| 10/10/00 | 2800 | 10.0000 |
| 10/11/00 | 2000 | 9.7500 |
| 10/11/00 | 100 | 9.5000 |
| 10/11/00 | 100 | 9.5000 |
| 10/11/00 | 1000 | 9.0039 |
| 10/11/00 | 1000 | 9.5352 |
| 10/11/00 | 1000 | 9.3438 |
| 10/11/00 | 1000 | 9.3125 |
| 10/11/00 | 500 | 10.1875 |
| 10/11/00 | 900 | 10.6914 |
| 10/11/00 | 1000 | 11.1250 |
| 10/11/00 | 600 | 10.8750 |
| 10/11/00 | 90 | 10.8750 |
| 10/11/00 | 1000 | 10.8125 |
| 10/11/00 | 90 | 10.8125 |
| 10/11/00 | 400 | 10.8164 |
| 10/11/00 | 1360 | 10.8125 |
| 10/11/00 | 2500 | 11.1875 |
| 10/11/00 | 750 | 11.1875 |
| 10/12/00 | 100 | 11.3750 |
| 10/12/00 | 100 | 11.3750 |
| 10/12/00 | 100 | 11.5625 |
| 10/12/00 | 1000 | 11.5625 |
| 10/12/00 | 1000 | 11.5625 |
| 10/12/00 | 1000 | 11.5625 |
| 10/12/00 | 602 | 11.5625 |
| 10/12/00 | 1000 | 10.6875 |
| 10/13/00 | 1700 | 10.6250 |
| 10/16/00 | 100 | 10.6250 |
| 10/16/00 | 1000 | 10.6289 |
| 10/18/00 | 1000 | 10.0000 |
| 10/18/00 | 1000 | 9.8477 |
| 10/18/00 | 1000 | 10.1875 |
| 10/18/00 | 77 | 10.1875 |
| 10/18/00 | 1700 | 10.0000 |
| 10/23/00 | 1000 | 11.6250 |
| 10/24/00 | 67 | 8.0000 |
| 10/24/00 | 2600 | 7.0313 |

Schedule A
Doug Sutton
Transactions in marchFirst, Inc.

| | | |
|----------|------|--------|
| 10/24/00 | 400 | 7.0313 |
| 10/24/00 | 2100 | 7.2500 |
| 10/24/00 | 256 | 7.2500 |

**CERTIFICATION OF PRESCOTT NOTTINGHAM
IN SUPPORT OF CLASS ACTION COMPLAINT**

Prescott Nottingham ("plaintiff") declares, as to the claims asserted under the federal securities laws, that:

1. Plaintiff has reviewed the complaint prepared by counsel in the above-captioned case and has authorized its filing.
2. Plaintiff did not purchase the securities that are the subject of the complaint at the direction of plaintiff's counsel or in order to participate in any private action arising under the federal securities laws.
3. Plaintiff is willing to serve as a representative party on behalf of a class, including providing testimony at deposition and trial, if necessary.
4. During the proposed Class Period, plaintiff executed transactions in the securities of marchFIRST, Inc. as follows: See Attached Schedule A.
5. In the past three years, plaintiff has not sought to serve as a representative party on behalf of a class in an action filed under the federal securities laws, except:

Not Applicable
6. Plaintiff will not accept any payment for serving as a representative party on behalf of a class beyond plaintiff's pro rata share of any recovery, except such reasonable costs and expenses (including lost wages) directly relating to the representation of the Class as ordered or approved by the Court.

I declare under penalty of perjury that the foregoing is true and correct. Executed this 25th
day of October, 2000.


Prescott Nottingham

Schedule A
Prescott Nottingham's Transactions in
marchFIRST, Inc. Securities

Purchases:

| <u>Date</u> | <u>Shares</u> | <u>Price</u> |
|-------------|---------------|--------------|
| 10/23/2000 | 4000.0000 | \$12.87500 |
| 10/23/2000 | 5000.0000 | \$13.84370 |
| 10/23/2000 | 500.0000 | \$12.06250 |
| 10/23/2000 | 500.0000 | \$12.06250 |
| 10/20/2000 | 500.0000 | \$13.43750 |
| 10/20/2000 | 4500.0000 | \$13.87500 |
| 10/20/2000 | 500.0000 | \$13.87500 |
| 10/20/2000 | 1000.0000 | \$13.31250 |
| 10/18/2000 | 1500.0000 | \$10.00000 |
| 10/18/2000 | 500.0000 | \$ 9.71870 |
| 10/18/2000 | 100.0000 | \$ 9.71870 |
| 10/18/2000 | 100.0000 | \$ 9.71870 |
| 10/18/2000 | 100.0000 | \$ 9.71870 |
| 10/18/2000 | 500.0000 | \$10.00000 |
| 10/18/2000 | 100.0000 | \$ 9.68750 |
| 10/18/2000 | 1200.0000 | \$ 9.71870 |
| 10/18/2000 | 300.0000 | \$ 9.68750 |
| 10/16/2000 | 600.0000 | \$11.06250 |
| 10/16/2000 | 500.0000 | \$11.06250 |
| 10/16/2000 | 800.0000 | \$11.06250 |
| 10/16/2000 | 100.0000 | \$11.06250 |
| 10/13/2000 | 500.0000 | \$11.18750 |
| 10/13/2000 | 500.0000 | \$11.18750 |
| 10/13/2000 | 1000.0000 | \$11.18750 |
| 10/13/2000 | 1000.0000 | \$10.68750 |
| 10/11/2000 | 500.0000 | \$ 8.84370 |
| 10/11/2000 | 500.0000 | \$ 9.34370 |
| 10/11/2000 | 500.0000 | \$ 8.84370 |
| 10/11/2000 | 100.0000 | \$11.06250 |
| 10/11/2000 | 200.0000 | \$ 9.28120 |
| 10/11/2000 | 500.0000 | \$11.12500 |
| 10/11/2000 | 500.0000 | \$ 9.28120 |
| 10/11/2000 | 500.0000 | \$ 9.34370 |
| 10/11/2000 | 300.0000 | \$ 9.28120 |

| | | |
|------------|-----------|------------|
| 10/10/2000 | 200.0000 | \$10.00000 |
| 10/10/2000 | 300.0000 | \$ 9.93750 |
| 10/10/2000 | 100.0000 | \$ 9.62500 |
| 10/10/2000 | 700.0000 | \$ 9.93750 |
| 10/10/2000 | 500.0000 | \$ 9.93750 |
| 10/10/2000 | 900.0000 | \$ 9.62500 |
| 10/10/2000 | 500.0000 | \$10.06250 |
| 10/10/2000 | 1000.0000 | \$ 9.90620 |
| 10/10/2000 | 400.0000 | \$9.93750 |
| 10/10/2000 | 100.0000 | \$9.93750 |
| 10/10/2000 | 500.0000 | \$10.06250 |
| 10/10/2000 | 800.0000 | \$10.00000 |
| 10/09/2000 | 1000.0000 | \$10.75000 |
| 10/09/2000 | 500.0000 | \$11.25000 |
| 10/09/2000 | 500.0000 | \$11.62500 |
| 10/09/2000 | 500.0000 | \$11.62500 |
| 10/09/2000 | 500.0000 | \$11.25000 |
| 10/09/2000 | 1000.0000 | \$11.06250 |
| 10/06/2000 | 500.0000 | \$10.81250 |
| 10/06/2000 | 500.0000 | \$12.68750 |
| 10/06/2000 | 500.0000 | \$10.81250 |
| 10/06/2000 | 500.0000 | \$11.75000 |
| 10/06/2000 | 500.0000 | \$10.68750 |
| 10/04/2000 | 500.0000 | \$13.18750 |
| 10/04/2000 | 500.0000 | \$13.18750 |
| 10/04/2000 | 500.0000 | \$13.12500 |
| 10/04/2000 | 500.0000 | \$13.12500 |
| 10/03/2000 | 1000.0000 | \$14.75000 |
| 09/27/2000 | 400.0000 | \$15.00000 |
| 09/27/2000 | 900.0000 | \$14.75000 |
| 09/27/2000 | 500.0000 | \$14.93750 |
| 09/27/2000 | 500.0000 | \$15.00000 |
| 09/27/2000 | 1500.0000 | \$13.68750 |
| 09/27/2000 | 500.0000 | \$13.68750 |
| 09/27/2000 | 1000.0000 | \$14.50000 |
| 09/27/2000 | 100.0000 | \$15.00000 |
| 09/27/2000 | 2000.0000 | \$13.93750 |
| 09/27/2000 | 100.0000 | \$14.75000 |
| 09/25/2000 | 1000.0000 | \$16.81250 |
| 09/22/2000 | 750.0000 | \$17.68750 |
| 09/19/2000 | 500.0000 | \$18.06250 |
| 09/19/2000 | 250.0000 | \$18.06250 |
| 09/18/2000 | 100.0000 | \$17.87500 |

| | | |
|------------|-----------|------------|
| 09/18/2000 | 100.0000 | \$17.87500 |
| 09/18/2000 | 300.0000 | \$17.87500 |
| 09/18/2000 | 500.0000 | \$17.87500 |
| 09/15/2000 | 1000.0000 | \$18.71870 |
| 09/13/2000 | 500.0000 | \$19.87500 |
| 09/13/2000 | 400.0000 | \$19.62500 |
| 09/13/2000 | 500.0000 | \$19.62500 |
| 09/13/2000 | 500.0000 | \$19.75000 |
| 09/13/2000 | 500.0000 | \$19.75000 |
| 09/13/2000 | 100.0000 | \$19.62500 |
| 09/13/2000 | 500.0000 | \$19.87500 |
| 09/12/2000 | 1000.0000 | \$20.0000 |
| 09/01/2000 | 500.0000 | \$18.12500 |
| 09/01/2000 | 300.0000 | \$18.12500 |
| 09/01/2000 | 100.0000 | \$18.12500 |
| 09/01/2000 | 100.0000 | \$18.12500 |
| 08/21/2000 | 500.0000 | \$20.31250 |
| 08/21/2000 | 500.0000 | \$20.25000 |
| 08/21/2000 | 500.0000 | \$20.31250 |
| 08/21/2000 | 500.0000 | \$20.25000 |
| 10/03/2000 | 500.0000 | \$14.62500 |
| 09/27/2000 | 500.0000 | \$15.50000 |
| 09/18/2000 | 500.0000 | \$18.18750 |
| 09/18/2000 | 100.0000 | \$18.18750 |
| 09/18/2000 | 900.0000 | \$18.12500 |
| 09/18/2000 | 100.0000 | \$18.18750 |
| 09/18/2000 | 100.0000 | \$18.18750 |
| 09/18/2000 | 800.0000 | \$18.18750 |
| 05/30/2000 | 1000.0000 | \$17.28120 |

Sales:

| <u>Date</u> | <u>Shares</u> | <u>Price</u> |
|-------------|---------------|--------------|
| 10/24/2000 | 2000.0000 | \$ 4.81250 |
| 10/24/2000 | 2000.0000 | \$ 4.81250 |
| 10/24/2000 | 500.0000 | \$ 4.81250 |
| 10/24/2000 | 100.0000 | \$ 4.81250 |
| 10/24/2000 | 3350.0000 | \$ 4.75000 |
| 10/24/2000 | 2000.0000 | \$ 4.81250 |

| | | |
|------------|-----------|------------|
| 10/24/2000 | 600.0000 | \$ 4.81250 |
| 10/24/2000 | 500.0000 | \$ 4.81250 |
| 10/24/2000 | 100.0000 | \$ 4.81250 |
| 10/24/2000 | 5800.0000 | \$ 4.81250 |
| 10/24/2000 | 1000.0000 | \$ 4.81250 |
| 10/24/2000 | 1000.0000 | \$ 4.81250 |
| 10/24/2000 | 500.0000 | \$ 4.81250 |
| 10/24/2000 | 3000.0000 | \$ 4.81250 |
| 10/24/2000 | 500.0000 | \$ 4.81250 |
| 10/24/2000 | 2700.0000 | \$ 4.75000 |
| 10/20/2000 | 4000.0000 | \$10.00000 |
| 10/20/2000 | 7000.0000 | \$12.50000 |
| 10/18/2000 | 100.0000 | \$10.06250 |
| 10/18/2000 | 500.0000 | \$10.06250 |
| 10/18/2000 | 500.0000 | \$10.12500 |
| 10/18/2000 | 500.0000 | \$10.12500 |
| 10/18/2000 | 400.0000 | \$10.06250 |
| 10/18/2000 | 400.0000 | \$10.34370 |
| 10/18/2000 | 2000.0000 | \$10.25000 |
| 10/13/2000 | 1000.0000 | \$11.50000 |
| 10/12/2000 | 1000.0000 | \$11.87500 |
| 10/11/2000 | 500.0000 | \$ 9.50000 |
| 10/11/2000 | 700.0000 | \$11.37500 |
| 10/11/2000 | 500.0000 | \$ 9.87500 |
| 10/11/2000 | 500.0000 | \$10.87500 |
| 10/11/2000 | 400.0000 | \$ 9.37500 |
| 10/11/2000 | 500.0000 | \$ 9.50000 |
| 10/11/2000 | 600.0000 | \$ 9.37500 |
| 10/11/2000 | 200.0000 | \$10.37500 |
| 10/11/2000 | 200.0000 | \$10.37500 |
| 10/11/2000 | 500.0000 | \$10.87500 |
| 10/11/2000 | 400.0000 | \$ 9.87500 |
| 10/11/2000 | 500.0000 | \$ 9.50000 |
| 10/11/2000 | 100.0000 | \$ 9.87500 |
| 10/11/2000 | 500.0000 | \$ 9.53120 |
| 10/10/2000 | 500.0000 | \$10.37500 |
| 10/10/2000 | 100.0000 | \$10.37500 |
| 10/06/2000 | 1000.0000 | \$11.87500 |
| 10/06/2000 | 500.0000 | \$11.87500 |
| 10/06/2000 | 500.0000 | \$11.87500 |
| 10/04/2000 | 400.0000 | \$13.25000 |
| 10/04/2000 | 500.0000 | \$13.25000 |
| 10/04/2000 | 100.0000 | \$13.25000 |

| | | |
|------------|-----------|------------|
| 10/04/2000 | 500.0000 | \$13.37500 |
| 10/04/2000 | 400.0000 | \$13.75000 |
| 10/04/2000 | 100.0000 | \$13.75000 |
| 09/28/2000 | 400.0000 | \$15.50000 |
| 09/28/2000 | 1000.0000 | \$14.18750 |
| 09/28/2000 | 600.0000 | \$15.50000 |
| 09/27/2000 | 500.0000 | \$14.00000 |
| 09/27/2000 | 1500.0000 | \$14.00000 |
| 09/27/2000 | 500.0000 | \$15.00000 |
| 09/25/2000 | 500.0000 | \$17.00000 |
| 09/25/2000 | 500.0000 | \$17.00000 |
| 09/20/2000 | 250.0000 | \$17.87500 |
| 09/20/2000 | 500.0000 | \$17.87500 |
| 09/13/2000 | 500.0000 | \$19.93750 |
| 09/13/2000 | 1000.0000 | \$20.18750 |
| 09/13/2000 | 500.0000 | \$19.93750 |
| 09/01/2000 | 1000.0000 | \$18.18750 |
| 08/21/2000 | 500.0000 | \$20.56250 |
| 08/21/2000 | 500.0000 | \$20.50000 |
| 09/28/2000 | 500.0000 | \$15.68750 |
| 06/16/2000 | 1000.0000 | \$17.50000 |

JS 44
(Rev. 07/89)

CIVIL COVER SHEET

The JS-44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON THE REVERSE OF THE FORM.)

I (a) PLAINTIFFS

DOUG SUTTON and PRESCOTT NOTTINGHAM

(b) COUNTY OF RESIDENCE OF FIRST LISTED PLAINTIFF Orange, CA
(EXCEPT IN U.S. PLAINTIFF CASES)

(c) ATTORNEYS (FIRM NAME, ADDRESS, AND TELEPHONE NUMBER)

Marvin A. Miller

Miller Faucher and Cafferty LLP

30 N. LaSalle St., Suite 200

Chicago, IL 60602

(312) 782-4880

JUDGE GRADY

MAGISTRATE JUDGE ROSEMOND

DEFENDANTS

MARCHFIRST, INC. and ROBERT F. BERNARD

00C 6676

COUNTY OF RESIDENCE OF FIRST LISTED DEFENDANT
(IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED

FILED

ATTORNEYS (IF KNOWN)

OCT 26 2000

MICHAEL W. DOBBINS, CLERK
UNITED STATES DISTRICT COURT

II. BASIS OF JURISDICTION

(PLACE AN X IN ONE BOX ONLY)

- ☐ 1 U.S. Government Plaintiff
- ☒ 3 Federal Question (U.S. Government Not a Party)
- ☐ 2 U.S. Government Defendant
- ☐ 4 Diversity (Indicate Citizenship of Parties in Item III)

III. CITIZENSHIP OF PRINCIPAL PARTIES

(For Diversity Cases Only)

(PLACE AN X IN ONE BOX FOR PLAINTIFF AND ONE BOX FOR DEFENDANT)

- | | | | | | |
|---|---------------------------------------|---------------------------------------|---|----------------------------|----------------------------|
| | PTF | DEF | | PTF | DEF |
| Citizen of This State | <input type="checkbox"/> 1 | <input checked="" type="checkbox"/> 1 | Incorporated or Principal Place of Business in This State | <input type="checkbox"/> 4 | <input type="checkbox"/> 4 |
| Citizen of Another State | <input checked="" type="checkbox"/> 2 | <input type="checkbox"/> 2 | Incorporated and Principal Place of Business in Another State | <input type="checkbox"/> 5 | <input type="checkbox"/> 5 |
| Citizen or Subject of a Foreign Country | <input type="checkbox"/> 3 | <input type="checkbox"/> 3 | Foreign Nation | <input type="checkbox"/> 6 | <input type="checkbox"/> 6 |

IV. CAUSE OF ACTION

(CITE THE U.S. CIVIL STATUTE UNDER WHICH YOU ARE FILING AND WRITE A BRIEF STATEMENT OF CAUSE.)

DO NOT CITE JURISDICTIONAL STATUTES UNLESS DIVERSITY

§§10(b) and 20(a) of the Securities Exchange Act of 1934
15 U.S.C. §§78j(b) and 78t(a) and Rule 10b-5DOCKETED
OCT 26 2000

V. NATURE OF SUIT

(PLACE AN X IN ONE BOX ONLY)

| CONTRACT | TORTS | | FORFEITURE/PENALTY | BANKRUPTCY | OTHER STATUTES |
|--|--|---|---|--|---|
| <input type="checkbox"/> 110 Insurance <input type="checkbox"/> 120 Marine <input type="checkbox"/> 130 Miller Act <input type="checkbox"/> 140 Negotiable Instrument <input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment <input type="checkbox"/> 151 Medicare Act <input type="checkbox"/> 152 Recovery of Defaulted Student Loans (Excl. Veterans) <input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits <input type="checkbox"/> 160 Stockholders' Suits <input type="checkbox"/> 190 Other Contract <input type="checkbox"/> 195 Contract Product Liability | PERSONAL INJURY <input type="checkbox"/> 310 Airplane <input type="checkbox"/> 315 Airplane Product Liability <input type="checkbox"/> 320 Assault, Libel & Slander <input type="checkbox"/> 330 Federal Employers' Liability <input type="checkbox"/> 340 Marine <input type="checkbox"/> 345 Marine Product Liability <input type="checkbox"/> 350 Motor Vehicle <input type="checkbox"/> 355 Motor Vehicle Product Liability <input type="checkbox"/> 360 Other Personal Injury | PERSONAL INJURY <input type="checkbox"/> 362 Personal Injury—Med Malpractice <input type="checkbox"/> 365 Personal Injury—Product Liability <input type="checkbox"/> 368 Asbestos Personal Injury Product Liability PERSONAL PROPERTY <input type="checkbox"/> 370 Other Fraud <input type="checkbox"/> 371 Truth in Lending <input type="checkbox"/> 380 Other Personal Property Damage <input type="checkbox"/> 385 Property Damage Product Liability | <input type="checkbox"/> 610 Agriculture <input type="checkbox"/> 620 Other Food & Drug <input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881 <input type="checkbox"/> 630 Liquor Laws <input type="checkbox"/> 640 R.R. & Truck <input type="checkbox"/> 650 Airline Regs <input type="checkbox"/> 660 Occupational Safety/Health <input type="checkbox"/> 690 Other | <input type="checkbox"/> 422 Appeal 28 USC 158 <input type="checkbox"/> 423 Withdrawal 28 USC 157 PROPERTY RIGHTS <input type="checkbox"/> 820 Copyrights <input type="checkbox"/> 830 Patent <input type="checkbox"/> 840 Trademark SOCIAL SECURITY <input type="checkbox"/> 861 HIA (1395f) <input type="checkbox"/> 862 Black Lung (923) <input type="checkbox"/> 863 DIWC/DIWW (405(g)) <input type="checkbox"/> 864 SSID Title XVI <input type="checkbox"/> 865 RSI (405(g)) | <input type="checkbox"/> 400 State Reapportionment <input type="checkbox"/> 410 Antitrust <input type="checkbox"/> 430 Banks and Banking <input type="checkbox"/> 450 Commerce/ICC Rates/etc. <input type="checkbox"/> 460 Deportation <input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations <input type="checkbox"/> 810 Selective Service <input checked="" type="checkbox"/> 850 Securities/Commodities/Exchange <input type="checkbox"/> 875 Customer Challenge 12 USC 3410 <input type="checkbox"/> 891 Agricultural Acts <input type="checkbox"/> 892 Economic Stabilization Act <input type="checkbox"/> 893 Environmental Matters <input type="checkbox"/> 894 Energy Allocation Act <input type="checkbox"/> 895 Freedom of Information Act <input type="checkbox"/> 900 Appeal of Fee Determination Under Equal Access to Justice <input type="checkbox"/> 950 Constitutionality of State Statutes <input type="checkbox"/> 890 Other Statutory Actions |
| REAL PROPERTY <input type="checkbox"/> 210 Land Condemnation <input type="checkbox"/> 220 Foreclosure <input type="checkbox"/> 230 Rent Lease & Ejectment <input type="checkbox"/> 240 Torts to Land <input type="checkbox"/> 245 Tort Product Liability <input type="checkbox"/> 290 All Other Real Property | CIVIL RIGHTS <input type="checkbox"/> 441 Voting <input type="checkbox"/> 442 Employment <input type="checkbox"/> 443 Housing/Accommodations <input type="checkbox"/> 444 Welfare <input type="checkbox"/> 440 Other Civil Rights | PRISONER PETITIONS <input type="checkbox"/> 510 Motions to Vacate Sentence <input type="checkbox"/> 530 Habeas Corpus: General <input type="checkbox"/> 535 Death Penalty <input type="checkbox"/> 540 Mandamus & Other <input type="checkbox"/> 550 Civil Rights | LABOR <input type="checkbox"/> 710 Fair Labor Standards Act <input type="checkbox"/> 720 Labor/Mgmt. Relations <input type="checkbox"/> 730 Labor/Mgmt. Reporting & Disclosure Act <input type="checkbox"/> 740 Railway Labor Act <input type="checkbox"/> 790 Other Labor Litigation <input type="checkbox"/> 791 Empl. Ret. Inc. Security Act | FEDERAL TAX SUITS <input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant) <input type="checkbox"/> 871 IRS—Third Party 26 USC 7609 | |

VI. ORIGIN

(PLACE AN X IN ONE BOX ONLY)

- ☒ 1 Original Proceeding
- ☐ 2 Removed from State Court
- ☐ 3 Remanded from Appellate Court
- ☐ 4 Reinstated or Reopened
- Transferred from ☐ 5 another district (specify)
- ☐ 6 Multidistrict Litigation
- Appeal to District Judge from Magistrate Judgment ☐ 7

VII. REQUESTED IN COMPLAINT:

CHECK IF THIS IS A CLASS ACTION
☐ UNDER F.R.C.P. 23

DEMAND \$

Check YES only if demanded in complaint:

JURY DEMAND: ☐ YES ☐ NO

VIII. REMARKS

In response to ☒ is not a refiling of a previously dismissed action

General Rule 2.21D(2) this case ☐ is a refiling of case number _____ of Judge _____

DATE

10/26/00

SIGNATURE OF ATTORNEY OF RECORD

UNITED STATES DISTRICT COURT

1-2

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS

In the Matter of

DOUG SUTTON

PRESCOTT NOTTINGHAM

v.

MARCHFIRST, INC. and ROBERT F. BERNARD

00C 6676

Case Number:

FILED

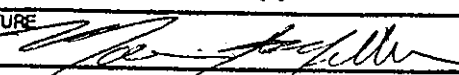
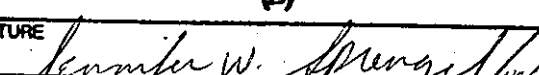
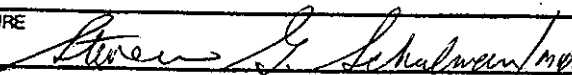
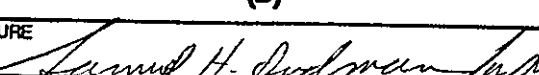
OCT 26 2000

APPEARANCES ARE HEREBY FILED BY THE UNDERSIGNED AS ATTORNEY(S) FOR: MICHAEL W. DOBBINS, CLERK
 UNITED STATES DISTRICT COURT

JUDGE GRADY

PLAINTIFFS

MAGISTRATE JUDGE ROSEMOND

| (A) | | (B) | |
|--|--|-----|--|
| SIGNATURE  | SIGNATURE  | | |
| NAME MARVIN A. MILLER | NAME JENNIFER W. SPRENGEL | | |
| FIRM MILLER FAUCHER and CAFFERTY LLP | FIRM MILLER FAUCHER and CAFFERTY LLP | | |
| STREET ADDRESS 30 N. LaSalle St., Suite 3200 | STREET ADDRESS 30 N. LaSalle St., Suite 3200 | | |
| CITY/STATE/ZIP Chicago, IL 60602 | CITY/STATE/ZIP Chicago, IL 60602 | | |
| TELEPHONE NUMBER (312) 782-4880 | TELEPHONE NUMBER (312) 782-4880 | | |
| IDENTIFICATION NUMBER (SEE ITEM 4 ON REVERSE) 01916769 | IDENTIFICATION NUMBER (SEE ITEM 4 ON REVERSE) 06204446 | | |
| MEMBER OF TRIAL BAR? YES <input checked="" type="checkbox"/> NO <input type="checkbox"/> | MEMBER OF TRIAL BAR? YES <input type="checkbox"/> NO <input checked="" type="checkbox"/> | | |
| TRIAL ATTORNEY? YES <input checked="" type="checkbox"/> NO <input type="checkbox"/> | TRIAL ATTORNEY? YES <input checked="" type="checkbox"/> NO <input type="checkbox"/> | | |
| | DESIGNATED AS LOCAL COUNSEL? YES <input type="checkbox"/> NO <input type="checkbox"/> | | |
| (C) | | (D) | |
| SIGNATURE  | SIGNATURE  | | |
| NAME STEVEN G. SCHULMAN | NAME SAMUEL H. RUDMAN | | |
| FIRM MILBERG WEISS BERSHAD HYNES & LERACH LLP | FIRM MILBERG WEISS BERSHAD HYNES & LERACH LLP | | |
| STREET ADDRESS One Pennsylvania Plaza | STREET ADDRESS One Pennsylvania Plaza | | |
| CITY/STATE/ZIP New York, NY 10119-0165 | CITY/STATE/ZIP New York, NY 10119-0165 | | |
| TELEPHONE NUMBER (212) 594-5300 | TELEPHONE NUMBER (212) 594-5300 | | |
| IDENTIFICATION NUMBER (SEE ITEM 4 ON REVERSE) | IDENTIFICATION NUMBER (SEE ITEM 4 ON REVERSE) | | |
| MEMBER OF TRIAL BAR? YES <input type="checkbox"/> NO <input checked="" type="checkbox"/> | MEMBER OF TRIAL BAR? YES <input type="checkbox"/> NO <input checked="" type="checkbox"/> | | |
| TRIAL ATTORNEY? YES <input type="checkbox"/> NO <input checked="" type="checkbox"/> | TRIAL ATTORNEY? YES <input type="checkbox"/> NO <input checked="" type="checkbox"/> | | |
| DESIGNATED AS LOCAL COUNSEL? YES <input type="checkbox"/> NO <input checked="" type="checkbox"/> | DESIGNATED AS LOCAL COUNSEL? YES <input type="checkbox"/> NO <input checked="" type="checkbox"/> | | |

DOCKETED
 OCT 26 2000

PLEASE COMPLETE IN ACCORDANCE WITH INSTRUCTIONS ON REVERSE.